

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2707 Session of  
2022

INTRODUCED BY OBERLANDER, JUNE 24, 2022

REFERRED TO COMMITTEE ON FINANCE, JUNE 24, 2022

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," in Computer Data Center Equipment Incentive  
11 Program, further providing for definitions, for sales and use  
12 tax exemption, for eligibility requirements and for  
13 revocation of certification.

14 The General Assembly of the Commonwealth of Pennsylvania  
15 hereby enacts as follows:

16 Section 1. The definition of "qualification period" in  
17 section 2901-D of the act of March 4, 1971 (P.L.6, No.2), known  
18 as the Tax Reform Code of 1971, is amended to read:

19 Section 2901-D. Definitions.

20 The following words and phrases when used in this article  
21 shall have the meanings given to them in this section unless the  
22 context clearly indicates otherwise:

23 \* \* \*

24 "Qualification period." [As] Except as provided under

1 sections 2931-D(d), 2935-D(b) and 2937-D(c), as follows:

2 (1) With respect to the owner or operator of a computer  
3 data center certified under this article, a period of time  
4 beginning on the date of certification of the computer data  
5 center and expiring at the end of the fifteenth full calendar  
6 year following the calendar year in which the owner or  
7 operator filed an application for certification.

8 (2) With respect to a qualified tenant of the owner or  
9 operator of a computer data center certified under this  
10 article, a period of time beginning on the date that the  
11 qualified tenant enters into an agreement concerning the use  
12 or occupancy of the computer data center and expiring at the  
13 earlier of the expiration of the term of the agreement or the  
14 end of the 10th full calendar year following the calendar  
15 year in which the qualified tenant enters into the agreement.

16 \* \* \*

17 Section 2. Section 2931-D of the act is amended by adding a  
18 subsection to read:

19 Section 2931-D. Sales and use tax exemption.

20 \* \* \*

21 (d) Definition.--As used in this section, the term  
22 "qualification period" shall mean the following:

23 (1) With respect to the owner or operator of a computer  
24 data center certified under this subarticle, a period of time  
25 beginning on the date of certification of the computer data  
26 center and expiring at the end of the 30th full calendar year  
27 following the calendar year in which the owner or operator  
28 filed an application for certification.

29 (2) With respect to a qualified tenant of the owner or  
30 operator of a computer data center certified under this

1 article, a period of time beginning on the date that the  
2 qualified tenant enters into an agreement concerning the use  
3 or occupancy of the computer data center and expiring at the  
4 earlier of the expiration of the term of the agreement or the  
5 end of the 10th full calendar year following the calendar  
6 year in which the qualified tenant enters into the agreement.

7 Section 3. Sections 2935-D(b) and 2937-D(c) of the act,  
8 added June 30, 2021 (P.L.124, No.25), are amended to read:

9 Section 2935-D. Eligibility requirements.

10 \* \* \*

11 (b) Prior applications.--A computer data center that has met  
12 the eligibility requirements as prescribed under section 2915-D  
13 and has, prior to July 1, 2021, been certified under section  
14 2913-D shall be deemed to meet the certification requirements of  
15 this section. The certification shall not be revoked, except as  
16 provided under section 2917-D, and shall remain in effect for  
17 the remainder of the qualification period. As used in this  
18 subsection, the term "qualification period" shall have the same  
19 meaning given to it in section 2931-D(d).

20 \* \* \*

21 Section 2937-D. Revocation of certification.

22 \* \* \*

23 (c) Recapture.--If certification is revoked under this  
24 section, the qualification period of any owner or operator or  
25 qualified tenant of the computer data center shall expire and  
26 the department may recapture from the owner or operator or  
27 qualified tenant all or part of the tax exemption received by  
28 the owner or operator or qualified tenant under section 2942-D.  
29 The department may give special consideration or allow a  
30 temporary exemption from recapture of the tax exemption if there

1 is extraordinary hardship due to factors beyond the control of  
2 the owner or operator or qualified tenant. The department may  
3 require the owner or operator or qualified tenant to file  
4 appropriate amended tax returns in order to reflect any  
5 recapture of the tax exemption. As used in this subsection, the  
6 term "qualification period" shall have the same meaning given to  
7 it in section 2931-D(d).

8 \* \* \*

9 Section 4. This act shall take effect immediately.