
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 778 Session of
2021

INTRODUCED BY HUGHES, FONTANA, COLLETT, COSTA, STREET, KEARNEY
AND SCHWANK, JULY 6, 2021

REFERRED TO STATE GOVERNMENT, JULY 6, 2021

AN ACT

1 Providing for small business fee exemption.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Small
6 Business Fee Exemption Act.

7 Section 2. Definitions.

8 The following words and phrases when used in this act shall
9 have the meanings given to them in this section unless the
10 context clearly indicates otherwise:

11 "Business fee." A fee required to be paid to the
12 Commonwealth or a political subdivision for starting or opening
13 a business within this Commonwealth. The term does not include a
14 fee for maintaining licensure or other requirement for
15 continuing to operate a business.

16 "Department." The Department of State of the Commonwealth.

17 "Disadvantaged business." As defined in 62 Pa.C.S. § 2102

1 (relating to definitions).

2 "Microbusiness." A business that is a sole proprietorship,
3 partnership or corporation which has five or less employees.

4 "Minority-owned business." As defined in 62 Pa.C.S. § 2201
5 (relating to definitions).

6 "Service-disabled veteran-owned small business." As defined
7 in 51 Pa.C.S. § 9601 (relating to definitions).

8 "Small business." A business which is independently owned
9 and:

10 (1) Employs 100 or fewer employees.

11 (2) Had annual revenues of less than \$10 million in each
12 of the last three tax years.

13 (3) Is not dominant in its field.

14 "Woman-owned business." As defined in 62 Pa.C.S. § 2201.

15 Section 3. Exemption.

16 (a) Full payment exemption.--In addition to the exemption
17 provided to a veteran-owned or reservist-owned small business
18 under 51 Pa.C.S. Ch. 96 Subch. C (relating to business fee
19 exemption), the following shall be exempt from the payment of a
20 business fee:

21 (1) A woman-owned small business.

22 (2) A service-disabled veteran-owned small business.

23 (3) A minority-owned small business.

24 (4) A disadvantaged small business.

25 (5) A microbusiness.

26 (b) Partial payment exemption.--A small business other than
27 a small business eligible for a full exemption under subsection
28 (a) shall be exempt from the payment of 50% of a business fee.

29 (c) Proof.--A person applying for the exemption under
30 subsection (a) or (b) shall, at the time of filing a business

1 application, provide the department or licensing authority of a
2 political subdivision with documentation of the person's
3 eligibility for the exemption in a form and manner prescribed by
4 the department.

5 (d) Status.--The department or licensing authority of a
6 political subdivision, in consultation with other Commonwealth
7 agencies, may determine an applicant's status as a small
8 business eligible for an exemption under this section.

9 Section 4. Offenses.

10 The following shall apply:

11 (1) A person who fraudulently obtains a business fee
12 exemption under section 3 commits a misdemeanor of the third
13 degree.

14 (2) A person assigning, transferring or attempting to
15 assign or transfer a business fee exemption or using or
16 attempting to use a business fee exemption contrary to this
17 act commits a misdemeanor of the third degree.

18 Section 5. Reporting.

19 The department shall annually determine the total number of
20 business fee exemptions applied for and issued and the total
21 dollar amount of the exemptions under this act and submit a
22 report to the chair and minority chair of the Community,
23 Economic and Recreational Development Committee of the Senate
24 and the chair and minority chair of the Commerce Committee of
25 the House of Representatives. The report may be submitted
26 electronically.

27 Section 6. Applicability.

28 This act shall apply to business applications for new
29 businesses filed on or after July 1, 2021.

30 Section 7. Effective date.

1 This act shall take effect in 30 days.