
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1301 Session of
2022

INTRODUCED BY HUTCHINSON, JUNE 28, 2022

REFERRED TO FINANCE, JUNE 28, 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.