

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1219 Session of
2023

INTRODUCED BY BRIGGS, FREEMAN, MADDEN, SCHLOSSBERG, SANCHEZ,
HILL-EVANS, GUENST, HANBIDGE, WEBSTER, NEILSON, SCOTT, HOGAN,
GREEN, PIELLI AND TAKAC, MAY 24, 2023

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, OCTOBER 3, 2023

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 corporate net income tax, further providing~~
11 ~~for definitions, for imposition of tax and for manufacturing~~
12 ~~innovation and reinvestment deduction.~~
13 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN <--
14 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING
15 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING
16 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,
17 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING
18 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND
19 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN
20 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS
21 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND
22 PENALTIES," IN PERSONAL INCOME TAX, FURTHER PROVIDING FOR
23 CLASSES OF INCOME AND FOR SPECIAL TAX PROVISIONS FOR POVERTY
24 AND PROVIDING FOR ALTERNATIVE SPECIAL TAX PROVISIONS FOR
25 POVERTY; IN CORPORATE NET INCOME TAX, FURTHER PROVIDING FOR
26 DEFINITIONS, FOR IMPOSITION OF TAX, FOR REPORTS AND PAYMENT
27 OF TAX, FOR CONSOLIDATED REPORTS AND FOR MANUFACTURING
28 INNOVATION AND REINVESTMENT DEDUCTION; IN REALTY TRANSFER
29 TAX, FURTHER PROVIDING FOR TRANSFER OF TAX; IN TAX CREDIT AND

1 TAX BENEFIT ADMINISTRATION, FURTHER PROVIDING FOR
2 DEFINITIONS; IN ENTERTAINMENT PRODUCTION TAX CREDIT, FURTHER
3 PROVIDING FOR DEFINITIONS, FOR CREDIT FOR QUALIFIED FILM
4 PRODUCTION EXPENSES, FOR CARRYOVER, CARRYBACK AND ASSIGNMENT
5 OF CREDIT AND FOR LIMITATIONS; IN PENNSYLVANIA ECONOMIC
6 DEVELOPMENT FOR A GROWING ECONOMY (PA EDGE) TAX CREDITS,
7 PROVIDING FOR BIOTECHNOLOGY; IN NEIGHBORHOOD ASSISTANCE TAX
8 CREDIT, FURTHER PROVIDING FOR TAX CREDIT AND FOR GRANT OF TAX
9 CREDIT; PROVIDING FOR EXPANDED NEIGHBORHOOD IMPROVEMENT
10 ZONES; IN PENNSYLVANIA CHILD AND DEPENDENT CARE ENHANCEMENT
11 TAX CREDIT PROGRAM, FURTHER PROVIDING FOR CREDIT FOR CHILD
12 AND DEPENDENT CARE EMPLOYMENT-RELATED EXPENSES; PROVIDING FOR
13 PUBLIC TRANSPORTATION TRUST FUND; AND, IN GENERAL PROVISIONS,
14 FURTHER PROVIDING FOR UNDERPAYMENT OF ESTIMATED TAX, FOR
15 METHOD OF FILING AND FOR ALLOCATION OF TAX CREDITS.

16 The General Assembly of the Commonwealth of Pennsylvania
17 hereby enacts as follows: <--

18 ~~Section 1. Section 401(3)4(c)(1) and (2) of the act of March~~
19 ~~4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are~~
20 ~~amended to read:~~

21 ~~Section 401. Definitions. The following words, terms, and~~
22 ~~phrases, when used in this article, shall have the meaning~~
23 ~~ascribed to them in this section, except where the context~~
24 ~~clearly indicates a different meaning:~~

25 ~~* * *~~

26 ~~(3) "Taxable income." * * *~~

27 ~~4. * * *~~

28 ~~(c) (1) The net loss deduction shall be the lesser of:~~

29 ~~(A) (I) For taxable years beginning before January 1, 2007,~~
30 ~~two million dollars (\$2,000,000);~~

31 ~~(II) For taxable years beginning after December 31, 2006,~~
32 ~~the greater of twelve and one half per cent of taxable income as~~
33 ~~determined under subclause 1 or, if applicable, subclause 2 or~~
34 ~~three million dollars (\$3,000,000);~~

35 ~~(III) For taxable years beginning after December 31, 2008,~~
36 ~~the greater of fifteen per cent of taxable income as determined~~

~~under subclause 1 or, if applicable, subclause 2 or three million dollars (\$3,000,000);~~

~~(IV) For taxable years beginning after December 31, 2009, the greater of twenty per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or three million dollars (\$3,000,000);~~

~~(V) For taxable years beginning after December 31, 2013, the greater of twenty five per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or four million dollars (\$4,000,000);~~

~~(VI) For taxable years beginning after December 31, 2014, the greater of thirty per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or five million dollars (\$5,000,000);~~

~~(VII) For taxable years beginning after December 31, 2017, thirty five per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2;~~

~~(VIII) For taxable years beginning after December 31, 2018, forty per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2; [or]~~

~~(IX) For taxable years beginning after December 31, 2023, fifty per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2;~~

~~(X) For taxable years beginning after December 31, 2024, sixty per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2;~~

~~(XI) For taxable years beginning after December 31, 2025, seventy per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2; or~~

~~(XII) For taxable years beginning after December 31, 2026,~~

~~eighty per cent of taxable income as determined under subclause
1 or, if applicable, subclause 2; or~~

~~(B) The amount of the net loss or losses which may be
carried over to the taxable year or taxable income as determined
under subclause 1 or, if applicable, subclause 2.~~

~~* * *~~

~~(2) (A) A net loss for a taxable year may only be carried
over pursuant to the following schedule:~~

Taxable Year	Carryover
1981	1 taxable year
1982	2 taxable years
1983-1987	3 taxable years
1988	2 taxable years plus
	1 taxable year
	starting with the
	1995 taxable year
1989	1 taxable year plus
	2 taxable years
	starting with the
	1995 taxable year
1990-1993	3 taxable years
	starting with the
	1995 taxable year
1994	1 taxable year
1995-1997	10 taxable years
1998 and thereafter	20 taxable years

~~(B) The earliest net loss shall be carried over to the
earliest taxable year to which it may be carried under this
schedule. The total net loss deduction allowed in any taxable
year shall not exceed:~~

~~(I) Two million dollars (\$2,000,000) for taxable years beginning before January 1, 2007.~~

~~(II) The greater of twelve and one half per cent of the taxable income as determined under subclause 1 or, if applicable, subclause 2 or three million dollars (\$3,000,000) for taxable years beginning after December 31, 2006.~~

~~(III) The greater of fifteen per cent of the taxable income as determined under subclause 1 or, if applicable, subclause 2 or three million dollars (\$3,000,000) for taxable years beginning after December 31, 2008.~~

~~(IV) The greater of twenty per cent of the taxable income as determined under subclause 1 or, if applicable, subclause 2 or three million dollars (\$3,000,000) for taxable years beginning after December 31, 2009.~~

~~(V) The greater of twenty five per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or four million dollars (\$4,000,000) for taxable years beginning after December 31, 2013.~~

~~(VI) The greater of thirty per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 or five million dollars (\$5,000,000) for taxable years beginning after December 31, 2014.~~

~~(VII) Thirty five per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 for taxable years beginning after December 31, 2017.~~

~~(VIII) Forty per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 for taxable years beginning after December 31, 2018.~~

~~(IX) Fifty per cent of taxable income as determined under subclause 1 or, if applicable, subclause 2 for taxable years~~

~~beginning after December 31, 2023.~~

~~(X) Sixty per cent of taxable income as determined under
subclause 1 or, if applicable, subclause 2 for taxable years
beginning after December 31, 2024.~~

~~(XI) Seventy per cent of taxable income as determined under
subclause 1 or, if applicable, subclause 2 for taxable years
beginning after December 31, 2025.~~

~~(XII) Eighty per cent of taxable income as determined under
subclause 1 or, if applicable, subclause 2 for taxable years
beginning after December 31, 2026.~~

~~* * *~~

~~Section 2. Section 402(b) of the act, amended July 8, 2022
(P.L.513, No.53), is amended to read:~~

~~Section 402. Imposition of Tax. * * *~~

~~(b) The annual rate of tax on corporate net income imposed
by subsection (a) for taxable years beginning for the calendar
year or fiscal year on or after the dates set forth shall be as
follows:~~

Taxable Year	Tax Rate
January 1, 1995,	
through December	
31, 2022	9.99%
January 1, 2023,	
through December	
31, 2023	[8.99%] 7.99%
January 1, 2024,	
through December	
31, 2024	[8.49%] 6.99%
January 1, 2025,	
through December	

~~date] the applicable time period specified in subsection (b).~~

~~(b) (1) A taxpayer must advise the department in advance of the start date of any project for which the taxpayer may seek a qualified manufacturing innovation and reinvestment deduction. A taxpayer must attest the taxpayer's intent to meet the eligibility criteria and provide relevant information pertinent to the project's size and scope in a manner as determined by the department.~~

~~(2) For a private capital investment of less than or equal to one hundred fifty million dollars (\$150,000,000), the following shall apply:~~

~~(i) The project must be completed within three years of the project's start date.~~

~~(ii) Within five years of [a] the project's start date, [a] the taxpayer must complete to the department's satisfaction an application on a form and in a manner as determined by the department to attest that the project has been completed and the eligibility criteria has been satisfied.~~

~~(3) For a private capital investment greater than one hundred fifty million one dollars (\$150,000,001) and less than two hundred fifty million dollars (\$250,000,000), the following shall apply:~~

~~(i) The project must be completed within five years of the project's start date.~~

~~(ii) Within seven years of the project's start date, the taxpayer must complete to the department's satisfaction an application on a form and in a manner as determined by the department to attest that the project has been completed and the eligibility criteria has been satisfied.~~

~~(4) For a private capital investment greater than two~~

~~hundred fifty million one dollars (\$250,000,001) and less than
three hundred fifty million dollars (\$350,000,000), the
following shall apply:~~

~~(i) The project must be completed within seven years of the
project's start date.~~

~~(ii) Within nine years of the project's start date, the
taxpayer must complete to the department's satisfaction an
application on a form and in a manner as determined by the
department to attest that the project has been completed and the
eligibility criteria has been satisfied.~~

~~(5) For a private capital investment greater than three
hundred fifty million one dollars (\$350,000,001), the department
shall establish the time period from the project's start date in
which the project must be completed and the time period in which
the application as described in paragraph (4) must be completed.~~

~~(c) Upon the receipt of the taxpayer's application, the
Department of Revenue [must] shall make a finding [that] whether
the applicant has filed all required State tax reports and
returns for all applicable tax years and paid any balance of
State tax due as determined at settlement, assessment or
determination, and the department, then in conjunction with the
Department of Revenue, shall make an eligibility or satisfaction
determination within ninety days of submission. If the
department makes a satisfaction determination, the department
and the taxpayer shall execute a satisfaction commitment letter
containing the following:~~

~~(1) The number of new jobs created and their corresponding
description.~~

~~(2) The number of new jobs created during construction of
the project.~~

~~(3) The amount of private capital investment in the creation of new jobs.~~

~~(4) The increase in the annual taxable payroll attributable to new manufacturing jobs.~~

~~(5) A determination of the maximum allowable deduction against a taxpayer's qualified tax liability under this article.~~

~~(6) Any other information as the department deems appropriate.~~

~~(d)~~

~~(1.1) If the private capital investment is in excess of sixty million dollars (\$60,000,000), but not more than one hundred million dollars (\$100,000,000), the maximum allowable deduction shall be equal to thirty seven and one half per cent of the private capital investment utilized in the creation of new or refurbished manufacturing capacity. A taxpayer may utilize the deduction in an amount not to exceed seven and one half per cent of the private capital investment utilized in the creation of new or refurbished manufacturing capacity in any one year of the succeeding ten tax years immediately following the department's satisfaction determination and the execution of a satisfaction commitment letter, up to the maximum allowable deduction. This paragraph shall only apply to applications made prior to January 1, 2024.~~

~~(1.2) If [the] a taxpayer's private capital investment for a project exceeds [one hundred million dollars (\$100,000,000)] fifty million dollars (\$50,000,000), the maximum allowable deduction shall be equal to twenty five per cent of the private capital investment utilized in the creation of new or refurbished manufacturing capacity. A taxpayer may utilize the deduction in an amount not to exceed five per cent of the~~

~~private capital investment utilized in the creation of new or
refurbished manufacturing capacity in any one year of the
succeeding ten tax years immediately following the department's
satisfaction determination and the execution of a satisfaction
commitment letter, up to the maximum allowable deduction.~~

~~(1.3) If a taxpayer executes a satisfaction commitment
letter for more than two concurrent projects with a total
private capital investment exceeding five hundred million
dollars (\$500,000,000), the maximum allowable deduction for any
succeeding project shall be equal to twenty five per cent of the
private capital investment utilized in the creation of new or
refurbished manufacturing capacity. A taxpayer may utilize the
deduction in an amount not to exceed five per cent of the
private capital investment utilized in the creation of new or
refurbished manufacturing capacity in any one year of the
succeeding twenty tax years immediately following the
department's satisfaction determination and the execution of a
satisfaction commitment letter, up to the maximum allowable
deduction.~~

~~(3) A taxpayer cannot use the deduction to reduce [its] the
taxpayer's tax liability by more than fifty per cent of the tax
liability under this article for the taxable year. The deduction
is nontransferable and any unused portion in a tax year shall
expire at the end of the corresponding tax year.~~

~~Section 4. The amendment of section 407.7 of the act shall
apply to tax years beginning after December 31, 2023.~~

~~Section 5. This act shall take effect immediately.~~

SECTION 1. SECTIONS 303(A.7)(2)(I) AND 304(D) OF THE ACT OF <--
MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF
1971, ARE AMENDED BY ADDING CLAUSES TO READ:

SECTION 303. CLASSES OF INCOME.--* * *

(A.7) THE FOLLOWING APPLY:

* * *

(2) (I) THE FOLLOWING SHALL NOT BE SUBJECT TO TAX UNDER THIS ARTICLE:

* * *

(E) AMOUNTS PAID OR INCURRED BY AN EMPLOYER OF AN EMPLOYEE FOR DEPENDENT CARE ASSISTANCE PROVIDED TO THE EMPLOYEE THAT ARE EXCLUDABLE UNDER SECTION 129 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

* * *

SECTION 304. SPECIAL TAX PROVISIONS FOR POVERTY.--* * *

(D) ANY CLAIM FOR SPECIAL TAX PROVISIONS HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING:

* * *

(4) THE POVERTY INCOME AMOUNTS UNDER CLAUSE (1) SHALL BE INCREASED BY AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT TWELVE-MONTH PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE EFFECT, TO THE THEN CURRENT POVERTY INCOME AMOUNTS. THE DEPARTMENT SHALL DETERMINE THE PERCENTAGE INCREASE AND THE NEW POVERTY INCOME AMOUNTS PRIOR TO THE ANNUAL EFFECTIVE DATE OF THE ADJUSTMENT AND SHALL TRANSMIT NOTICE TO THE LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION IN THE PENNSYLVANIA BULLETIN WITHIN TEN DAYS OF THE DATE THE DETERMINATION IS MADE. THE POVERTY INCOME AMOUNTS MAY NOT BE DECREASED AS A RESULT OF A

NEGATIVE PERCENTAGE CHANGE IN THE CPI-U FOR THE PENNSYLVANIA,
NEW JERSEY, DELAWARE AND MARYLAND AREA.

SECTION 1.1. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

SECTION 304.3. ALTERNATIVE SPECIAL TAX PROVISIONS FOR
POVERTY.--(A) A CLAIMANT WHO HAS A DEPENDENT SHALL BE ENTITLED
TO A REFUND OR FORGIVENESS OF MONEY THAT HAS BEEN PAID OVER TO,
OR WOULD EXCEPT FOR THE PROVISIONS OF THIS SECTION BE PAYABLE
TO, THE COMMONWEALTH UNDER THE PROVISIONS OF THIS ARTICLE FOR
TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2023, IN THE AMOUNT
BY WHICH TWENTY-FIVE PER CENT OF THE EARNED INCOME CREDIT
ALLOWABLE UNDER 26 U.S.C. § 32 (RELATING TO EARNED INCOME)
EXCEEDS THE TAX IMPOSED UNDER THIS ARTICLE FOR THE TAXABLE YEAR.

(B) A CLAIMANT WHO IS ELIGIBLE FOR THE SPECIAL TAX
PROVISIONS FOR POVERTY UNDER SECTION 304 MAY CLAIM A REFUND OR
FORGIVENESS UNDER SUBSECTION (A) IN LIEU OF UTILIZING THE
SPECIAL TAX PROVISIONS FOR POVERTY.

(C) FOR A CLAIMANT OR CLAIMANT'S SPOUSE WHO FILES SEPARATE
FEDERAL TAX RETURNS, THE CREDIT AUTHORIZED UNDER SUBSECTION (A)
MAY ONLY BE USED BY THE SPOUSE WITH THE GREATER TAX OTHERWISE
DUE, COMPUTED WITHOUT REGARD TO THE CREDIT.

SECTION 2. SECTION 401(3)1(A), (B) AND (T) AND 4(C)(1) AND
(2) AND (5) OF THE ACT ARE AMENDED, (3)2(A)(9)(A) IS AMENDED BY
ADDING A UNIT, (3)1 AND (3)4 ARE AMENDED BY ADDING PHRASES AND
THE SECTION IS AMENDED BY ADDING CLAUSES TO READ:

SECTION 401. DEFINITIONS.--THE FOLLOWING WORDS, TERMS, AND
PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANING
ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
CLEARLY INDICATES A DIFFERENT MEANING:

* * *

(3) "TAXABLE INCOME." 1. (A) IN CASE THE ENTIRE BUSINESS

1 OF THE CORPORATION IS TRANSACTED WITHIN THIS COMMONWEALTH, FOR
2 ANY TAXABLE YEAR WHICH BEGINS ON OR AFTER JANUARY 1, 1971,
3 TAXABLE INCOME FOR THE CALENDAR YEAR OR FISCAL YEAR AS RETURNED
4 TO AND ASCERTAINED BY THE FEDERAL GOVERNMENT BEFORE SPECIAL
5 DEDUCTIONS PROVIDED FOR IN 26 U.S.C. CH. 1 SUBCH. B PT. VIII
6 (RELATING TO SPECIAL DEDUCTIONS FOR CORPORATIONS), NOT INCLUDING
7 THE DEDUCTIONS PROVIDED FOR IN 26 U.S.C. § 243 (RELATING TO
8 DIVIDENDS RECEIVED BY CORPORATIONS), OR IN THE CASE OF A
9 CORPORATION PARTICIPATING IN THE FILING OF CONSOLIDATED RETURNS
10 TO THE FEDERAL GOVERNMENT OR THAT IS NOT REQUIRED TO FILE A
11 RETURN WITH THE FEDERAL GOVERNMENT, THE TAXABLE INCOME WHICH
12 WOULD HAVE BEEN RETURNED TO AND ASCERTAINED BY THE FEDERAL
13 GOVERNMENT BEFORE SPECIAL DEDUCTIONS PROVIDED FOR IN 26 U.S.C.
14 CH. 1 SUBCH. B PT. VIII, NOT INCLUDING THE DEDUCTIONS PROVIDED
15 FOR IN 26 U.S.C. § 243, IF SEPARATE RETURNS HAD BEEN MADE TO THE
16 FEDERAL GOVERNMENT FOR THE CURRENT AND PRIOR TAXABLE YEARS,
17 SUBJECT, HOWEVER, TO ANY CORRECTION THEREOF, FOR FRAUD, EVASION,
18 OR ERROR AS FINALLY ASCERTAINED BY THE FEDERAL GOVERNMENT.

19 (B) ADDITIONAL DEDUCTIONS SHALL BE ALLOWED FROM TAXABLE
20 INCOME ON ACCOUNT OF ANY DIVIDENDS RECEIVED FROM ANY OTHER
21 CORPORATION BUT ONLY TO THE EXTENT THAT SUCH DIVIDENDS ARE
22 INCLUDED IN TAXABLE INCOME AS RETURNED TO AND ASCERTAINED BY THE
23 FEDERAL GOVERNMENT. FOR TAX YEARS BEGINNING ON OR AFTER JANUARY
24 1, 1991, ADDITIONAL DEDUCTIONS SHALL ONLY BE ALLOWED FOR AMOUNTS
25 INCLUDED, UNDER [SECTION 78 OF THE INTERNAL REVENUE CODE OF 1986
26 (PUBLIC LAW 99-514, 26 U.S.C. § 78)] 26 U.S.C. § 78 (RELATING TO
27 GROSS UP FOR DEEMED PAID FOREIGN TAX CREDIT), IN TAXABLE INCOME
28 RETURNED TO AND ASCERTAINED BY THE FEDERAL GOVERNMENT AND FOR
29 THE AMOUNT OF ANY DIVIDENDS RECEIVED FROM A FOREIGN CORPORATION
30 INCLUDED IN TAXABLE INCOME TO THE EXTENT SUCH DIVIDENDS WOULD BE

1 DEDUCTIBLE IN ARRIVING AT FEDERAL TAXABLE INCOME IF RECEIVED
2 FROM A DOMESTIC CORPORATION. FOR TAXABLE YEARS BEGINNING AFTER
3 DECEMBER 31, 2024, THE ADDITIONAL DEDUCTION WITH RESPECT TO
4 DIVIDENDS SHALL NOT BE ALLOWED FOR DIVIDENDS BETWEEN MEMBERS OF
5 A UNITARY GROUP.

6 * * *

7 (B.2) AN ADDITIONAL DEDUCTION SHALL BE ALLOWED FROM THE
8 TAXABLE INCOME OF A MEDICAL MARIJUANA ORGANIZATION, AS DEFINED
9 BY THE ACT OF APRIL 17, 2016 (P.L.84, NO.16), KNOWN AS THE
10 "MEDICAL MARIJUANA ACT," IN THE AMOUNT OF THE ORDINARY AND
11 NECESSARY EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR BY
12 THE MEDICAL MARIJUANA ORGANIZATION WHICH ARE ORDINARILY
13 DEDUCTIBLE FOR FEDERAL INCOME TAX PURPOSES UNDER 26 U.S.C. § 162
14 (RELATING TO TRADE OR BUSINESS EXPENSES). THE ADDITIONAL
15 DEDUCTION SHALL ONLY BE PERMITTED TO THE EXTENT DEDUCTIONS FOR
16 EXPENSES UNDER 26 U.S.C. § 162 WERE NOT TAKEN BY THE MEDICAL
17 MARIJUANA ORGANIZATION FOR FEDERAL INCOME TAX PURPOSES FOR THE
18 TAXABLE YEAR.

19 * * *

20 (P.1) FOR TAXABLE YEARS AFTER DECEMBER 31, 2024, IN THE CASE
21 OF A CORPORATION THAT IS A MEMBER OF A UNITARY BUSINESS, THE
22 TERM "TAXABLE INCOME" SHALL MEAN THE COMBINED UNITARY INCOME OF
23 THE UNITARY BUSINESS, AS DETERMINED ON A WATER'S-EDGE BASIS.

24 * * *

25 (T) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), (3) OR (4) FOR
26 TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2014, AND IN ADDITION
27 TO ANY AUTHORITY THE DEPARTMENT HAS ON THE EFFECTIVE DATE OF
28 THIS PARAGRAPH TO DENY A DEDUCTION RELATED TO A FRAUDULENT OR
29 SHAM TRANSACTION, NO DEDUCTION SHALL BE ALLOWED FOR AN
30 INTANGIBLE EXPENSE OR COST, OR AN INTEREST EXPENSE OR COST,

1 PAID, ACCRUED OR INCURRED DIRECTLY OR INDIRECTLY IN CONNECTION
2 WITH ONE OR MORE TRANSACTIONS WITH AN AFFILIATED ENTITY. IN
3 CALCULATING TAXABLE INCOME UNDER THIS PARAGRAPH, WHEN THE
4 TAXPAYER IS ENGAGED IN ONE OR MORE TRANSACTIONS WITH AN
5 AFFILIATED ENTITY THAT WAS SUBJECT TO TAX IN THIS COMMONWEALTH
6 OR ANOTHER STATE OR POSSESSION OF THE UNITED STATES ON A TAX
7 BASE THAT INCLUDED THE INTANGIBLE EXPENSE OR COST, OR THE
8 INTEREST EXPENSE OR COST, PAID, ACCRUED OR INCURRED BY THE
9 TAXPAYER, THE TAXPAYER SHALL RECEIVE A CREDIT AGAINST TAX DUE IN
10 THIS COMMONWEALTH IN AN AMOUNT EQUAL TO THE APPORTIONMENT FACTOR
11 OF THE TAXPAYER IN THIS COMMONWEALTH MULTIPLIED BY THE GREATER
12 OF THE FOLLOWING:

13 (A) THE TAX LIABILITY OF THE AFFILIATED ENTITY WITH RESPECT
14 TO THE PORTION OF ITS INCOME REPRESENTING THE INTANGIBLE EXPENSE
15 OR COST, OR THE INTEREST EXPENSE OR COST, PAID, ACCRUED OR
16 INCURRED BY THE TAXPAYER; OR

17 (B) THE TAX LIABILITY THAT WOULD HAVE BEEN PAID BY THE
18 AFFILIATED ENTITY UNDER SUBPARAGRAPH (A) IF THAT TAX LIABILITY
19 HAD NOT BEEN OFFSET BY A CREDIT.

20 THE CREDIT ISSUED UNDER THIS PARAGRAPH SHALL NOT EXCEED THE
21 TAXPAYER'S LIABILITY IN THIS COMMONWEALTH ATTRIBUTABLE TO THE
22 NET INCOME TAXED AS A RESULT OF THE ADJUSTMENT REQUIRED BY THIS
23 PARAGRAPH.

24 (2) THE ADJUSTMENT REQUIRED BY PARAGRAPH (1) SHALL NOT APPLY
25 TO A TRANSACTION THAT DID NOT HAVE AS [THE] A PRINCIPAL PURPOSE
26 THE AVOIDANCE OF TAX DUE UNDER THIS ARTICLE AND WAS DONE AT
27 ARM'S LENGTH RATES AND TERMS.

28 (3) THE ADJUSTMENT REQUIRED BY PARAGRAPH (1) SHALL NOT APPLY
29 TO A TRANSACTION BETWEEN A TAXPAYER AND AN AFFILIATED ENTITY
30 DOMICILED IN A FOREIGN NATION WHICH HAS IN FORCE A COMPREHENSIVE

1 INCOME TAX TREATY WITH THE UNITED STATES PROVIDING FOR THE
2 ALLOCATION OF ALL CATEGORIES OF INCOME SUBJECT TO TAXATION, OR
3 THE WITHHOLDING OF TAX, ON ROYALTIES, LICENSES, FEES AND
4 INTEREST FOR THE PREVENTION OF DOUBLE TAXATION OF THE RESPECTIVE
5 NATIONS' RESIDENTS AND THE SHARING OF INFORMATION.

6 (4) THE ADJUSTMENT REQUIRED BY PARAGRAPH (1) SHALL NOT APPLY
7 TO A TRANSACTION WHERE AN AFFILIATED ENTITY DIRECTLY OR
8 INDIRECTLY PAID, ACCRUED OR INCURRED A PAYMENT TO A PERSON WHO
9 IS NOT AN AFFILIATED ENTITY, IF THE PAYMENT IS PAID, ACCRUED OR
10 INCURRED ON THE INTANGIBLE EXPENSE OR COST, OR INTEREST EXPENSE
11 OR COST, AND IS EQUAL TO OR LESS THAN THE TAXPAYER'S
12 PROPORTIONAL SHARE OF THE TRANSACTION. THE TAXPAYER'S
13 PROPORTIONAL SHARE SHALL BE BASED ON RELATIVE SALES, ASSETS,
14 LIABILITIES OR ANOTHER REASONABLE METHOD.

15 (5) THE ADJUSTMENT REQUIRED UNDER PARAGRAPH (1) SHALL NOT
16 APPLY TO A TRANSACTION BETWEEN THE TAXPAYER AND AN AFFILIATED
17 ENTITY, WHERE THE TAXPAYER AND THE AFFILIATED ENTITY FILE A
18 COMBINED ANNUAL REPORT IN THIS STATE.

19 2. IN CASE THE ENTIRE BUSINESS OF ANY CORPORATION, OTHER
20 THAN A CORPORATION ENGAGED IN DOING BUSINESS AS A REGULATED
21 INVESTMENT COMPANY AS DEFINED BY THE INTERNAL REVENUE CODE OF
22 1986, IS NOT TRANSACTED WITHIN THIS COMMONWEALTH, THE TAX
23 IMPOSED BY THIS ARTICLE SHALL BE BASED UPON SUCH PORTION OF THE
24 TAXABLE INCOME OF SUCH CORPORATION FOR THE FISCAL OR CALENDAR
25 YEAR, AS DEFINED IN SUBCLAUSE 1 HEREOF, AND MAY BE DETERMINED AS
26 FOLLOWS:

27 (A) DIVISION OF INCOME.

28 * * *

29 (9) (A) EXCEPT AS PROVIDED IN SUBPARAGRAPH (B):

30 * * *

1 (VI) (A) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
2 2024, ALL BUSINESS INCOME OF A UNITARY BUSINESS SHALL BE
3 APPORTIONED TO THIS STATE BY MULTIPLYING THE INCOME BY THE
4 MEMBER'S SALES FACTOR, THE NUMERATOR OF WHICH SHALL BE THE
5 MEMBER'S TOTAL SALES IN THIS STATE, AND THE DENOMINATOR OF WHICH
6 SHALL BE THE COMBINED TOTAL SALES OF ALL MEMBERS OF THE UNITARY
7 BUSINESS EVERYWHERE. IN COMPUTING THE SALES OF EACH MEMBER FOR
8 PURPOSES OF APPORTIONMENT, THE FOLLOWING SALES ARE EXCLUDED FROM
9 THE NUMERATOR AND DENOMINATOR:

10 (I) SALES FROM TRANSACTIONS BETWEEN OR AMONG MEMBERS OF THE
11 UNITARY BUSINESS THAT ARE DEFERRED UNDER 26 CFR 1.1502-13
12 (RELATING TO INTERCOMPANY TRANSACTIONS) FOR FEDERAL TAXABLE
13 INCOME PURPOSES; AND

14 (II) THE SALES OF EACH MEMBER THAT ARE EXCLUDED FROM THE
15 UNITARY BUSINESS PURSUANT TO THE DEFINITION OF "WATER'S-EDGE
16 BASIS."

17 (B) THE PENNSYLVANIA SALES OF EACH NONTAXABLE MEMBER SHALL
18 BE DETERMINED BASED UPON THE APPORTIONMENT RULES APPLICABLE TO
19 THE MEMBER AND SHALL BE AGGREGATED. EACH TAXABLE MEMBER OF THE
20 GROUP SHALL INCLUDE IN ITS SALES FACTOR NUMERATOR A PORTION OF
21 THE AGGREGATE PENNSYLVANIA SALES OF NONTAXABLE MEMBERS BASED ON
22 A RATIO, THE NUMERATOR OF WHICH IS THE TAXABLE MEMBER'S
23 PENNSYLVANIA SALES AND THE DENOMINATOR OF WHICH IS THE AGGREGATE
24 PENNSYLVANIA SALES OF ALL THE TAXABLE MEMBERS OF THE GROUP.

25 (C) NONBUSINESS INCOME OF EACH MEMBER OF A UNITARY BUSINESS
26 SHALL BE ALLOCATED AS PROVIDED IN PARAGRAPHS (5) THROUGH (8) OF
27 PHRASE (A) OF SUBCLAUSE 2 OF THIS DEFINITION. A MEMBER OF THE
28 UNITARY BUSINESS IS SUBJECT TO TAX ON ITS APPORTIONED SHARE OF
29 ALL BUSINESS INCOME OF THE UNITARY BUSINESS, PLUS ITS
30 NONBUSINESS INCOME OR LOSS ALLOCATED TO THIS STATE, MINUS THE

1 MEMBER'S NET LOSS DEDUCTION.

2 (D) THE SECRETARY OF REVENUE MAY DISTRIBUTE, APPORTION OR
3 ALLOCATE GROSS INCOME, DEDUCTIONS, CREDITS OR ALLOWANCES BETWEEN
4 AND AMONG TWO OR MORE CORPORATIONS, PERSONS, ENTITIES, MEMBERS
5 OR UNITARY BUSINESSES, WHETHER OR NOT INCORPORATED, WHETHER OR
6 NOT ORGANIZED IN THE UNITED STATES AND WHETHER OR NOT
7 AFFILIATED, IF:

8 (I) THE CORPORATIONS, PERSONS, ENTITIES, MEMBERS OR UNITARY
9 BUSINESSES ARE OWNED OR CONTROLLED DIRECTLY OR INDIRECTLY BY THE
10 SAME INTERESTS WITHIN THE MEANING OF 26 U.S.C. § 482 (RELATING
11 TO ALLOCATION OF INCOME AND DEDUCTIONS AMONG TAXPAYERS); AND

12 (II) THE SECRETARY OF REVENUE DETERMINES THAT THE
13 DISTRIBUTION, APPORTIONMENT OR ALLOCATION IS NECESSARY IN ORDER
14 TO REFLECT AN ARM'S LENGTH STANDARD WITHIN THE MEANING OF 26 CFR
15 1.482-1 (RELATING TO ALLOCATION OF INCOME AND DEDUCTIONS AMONG
16 TAXPAYERS) AND TO REFLECT CLEARLY THE INCOME OF THOSE
17 CORPORATIONS, PERSONS, ENTITIES, MEMBERS OR UNITARY BUSINESSES.

18 (E) THE SECRETARY OF REVENUE SHALL APPLY THE ADMINISTRATIVE
19 AND JUDICIAL INTERPRETATIONS OF 26 U.S.C. § 482 IN ADMINISTERING
20 THIS SECTION.

21 (F) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2024, ANY
22 MEMBER OF A UNITARY GROUP THAT WOULD OTHERWISE APPORTION ITS
23 BUSINESS INCOME UNDER PHRASE (B), (C), (D) OR (E) OF SUBCLAUSE 2
24 OF THIS DEFINITION SHALL DETERMINE ITS APPORTIONMENT FORMULA
25 USING A SINGLE SALES FRACTION.

26 * * *

27 4. * * *

28 (C) (1) THE NET LOSS DEDUCTION SHALL BE THE LESSER OF:

29 (A) (I) FOR TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 2007,
30 TWO MILLION DOLLARS (\$2,000,000);

(II) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006,
THE GREATER OF TWELVE AND ONE-HALF PER CENT OF TAXABLE INCOME AS
DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR
THREE MILLION DOLLARS (\$3,000,000);

(III) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2008,
THE GREATER OF FIFTEEN PER CENT OF TAXABLE INCOME AS DETERMINED
UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR THREE
MILLION DOLLARS (\$3,000,000);

(IV) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2009,
THE GREATER OF TWENTY PER CENT OF TAXABLE INCOME AS DETERMINED
UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR THREE
MILLION DOLLARS (\$3,000,000);

(V) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2013, THE
GREATER OF TWENTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED
UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR FOUR MILLION
DOLLARS (\$4,000,000);

(VI) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2014,
THE GREATER OF THIRTY PER CENT OF TAXABLE INCOME AS DETERMINED
UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR FIVE MILLION
DOLLARS (\$5,000,000);

(VII) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2017,
THIRTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED UNDER
SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2;

(VIII) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2018,
FORTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1
OR, IF APPLICABLE, SUBCLAUSE 2; [OR]

(IX) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2023,
FIFTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1
OR, IF APPLICABLE, SUBCLAUSE 2;

(X) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2024,

SIXTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1
OR, IF APPLICABLE, SUBCLAUSE 2;

(XI) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2025,
SEVENTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE
1 OR, IF APPLICABLE, SUBCLAUSE 2; OR

(XII) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2026,
EIGHTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE
1 OR, IF APPLICABLE, SUBCLAUSE 2; OR

(B) THE AMOUNT OF THE NET LOSS OR LOSSES WHICH MAY BE
CARRIED OVER TO THE TAXABLE YEAR OR TAXABLE INCOME AS DETERMINED
UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2.

* * *

(2) (A) A NET LOSS FOR A TAXABLE YEAR MAY ONLY BE CARRIED
OVER PURSUANT TO THE FOLLOWING SCHEDULE:

TAXABLE YEAR	CARRYOVER
1981	1 TAXABLE YEAR
1982	2 TAXABLE YEARS
1983-1987	3 TAXABLE YEARS
1988	2 TAXABLE YEARS PLUS
	1 TAXABLE YEAR
	STARTING WITH THE
	1995 TAXABLE YEAR
1989	1 TAXABLE YEAR PLUS
	2 TAXABLE YEARS
	STARTING WITH THE
	1995 TAXABLE YEAR
1990-1993	3 TAXABLE YEARS
	STARTING WITH THE
	1995 TAXABLE YEAR
1994	1 TAXABLE YEAR

1 1995-1997 10 TAXABLE YEARS

2 1998 AND THEREAFTER 20 TAXABLE YEARS

3 (B) THE EARLIEST NET LOSS SHALL BE CARRIED OVER TO THE
4 EARLIEST TAXABLE YEAR TO WHICH IT MAY BE CARRIED UNDER THIS
5 SCHEDULE. THE TOTAL NET LOSS DEDUCTION ALLOWED IN ANY TAXABLE
6 YEAR SHALL NOT EXCEED:

7 (I) TWO MILLION DOLLARS (\$2,000,000) FOR TAXABLE YEARS
8 BEGINNING BEFORE JANUARY 1, 2007.

9 (II) THE GREATER OF TWELVE AND ONE-HALF PER CENT OF THE
10 TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF
11 APPLICABLE, SUBCLAUSE 2 OR THREE MILLION DOLLARS (\$3,000,000)
12 FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006.

13 (III) THE GREATER OF FIFTEEN PER CENT OF THE TAXABLE INCOME
14 AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2
15 OR THREE MILLION DOLLARS (\$3,000,000) FOR TAXABLE YEARS
16 BEGINNING AFTER DECEMBER 31, 2008.

17 (IV) THE GREATER OF TWENTY PER CENT OF THE TAXABLE INCOME AS
18 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR
19 THREE MILLION DOLLARS (\$3,000,000) FOR TAXABLE YEARS BEGINNING
20 AFTER DECEMBER 31, 2009.

21 (V) THE GREATER OF TWENTY-FIVE PER CENT OF TAXABLE INCOME AS
22 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR
23 FOUR MILLION DOLLARS (\$4,000,000) FOR TAXABLE YEARS BEGINNING
24 AFTER DECEMBER 31, 2013.

25 (VI) THE GREATER OF THIRTY PER CENT OF TAXABLE INCOME AS
26 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR
27 FIVE MILLION DOLLARS (\$5,000,000) FOR TAXABLE YEARS BEGINNING
28 AFTER DECEMBER 31, 2014.

29 (VII) THIRTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED
30 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE

YEARS BEGINNING AFTER DECEMBER 31, 2017.

(VIII) FORTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER
SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE YEARS
BEGINNING AFTER DECEMBER 31, 2018.

(IX) FIFTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER
SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE YEARS
BEGINNING AFTER DECEMBER 31, 2023.

(X) SIXTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER
SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE YEARS
BEGINNING AFTER DECEMBER 31, 2024.

(XI) SEVENTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER
SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE YEARS
BEGINNING AFTER DECEMBER 31, 2025.

(XII) EIGHTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER
SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE YEARS
BEGINNING AFTER DECEMBER 31, 2026.

* * *

(H) SUBJECT TO THE LIMITATIONS OF THIS SUBCLAUSE, ANY MEMBER
OF A UNITARY BUSINESS THAT HAS UNUSED NET LOSS FROM TAXABLE
YEARS THAT BEGAN PRIOR TO JANUARY 1, 2025, OR THAT GENERATES NET
LOSSES WHILE A MEMBER OF A UNITARY BUSINESS MAY ONLY TAKE THE
NET LOSS DEDUCTION FOR TAXABLE YEARS BEGINNING AFTER DECEMBER
31, 2023, TO THE EXTENT OF THE MEMBER'S SHARE OF COMBINED
UNITARY INCOME AFTER APPORTIONMENT AND THE NET LOSSES MAY NOT BE
USED BY OTHER MEMBERS OF THE SAME UNITARY BUSINESS.

(I) ANY NET LOSS REALIZED FOR A TAXABLE YEAR UNUSED BY A
CORPORATION WHICH SUBSEQUENTLY BECOMES A MEMBER OF ANOTHER
UNITARY BUSINESS, MAY ONLY BE USED BY THAT CORPORATION.

* * *

(5) "TAXABLE YEAR." [THE TAXABLE YEAR WHICH THE

CORPORATION, OR ANY CONSOLIDATED GROUP WITH WHICH THE CORPORATION PARTICIPATES IN THE FILING OF CONSOLIDATED RETURNS, ACTUALLY USES IN REPORTING TAXABLE INCOME TO THE FEDERAL GOVERNMENT. WITH REGARD TO THE TAX IMPOSED BY ARTICLE IV OF THIS ACT (RELATING TO THE CORPORATE NET INCOME TAX), THE TERMS "ANNUAL YEAR," "FISCAL YEAR," "ANNUAL OR FISCAL YEAR," "TAX YEAR" AND "TAX PERIOD" SHALL BE THE SAME AS THE CORPORATION'S TAXABLE YEAR, AS DEFINED IN THIS PARAGRAPH.]

1. EXCEPT AS SET FORTH IN SUBCLAUSE 2, THE TAXABLE YEAR WHICH THE CORPORATION, OR ANY CONSOLIDATED GROUP WITH WHICH THE CORPORATION PARTICIPATES IN THE FILING OF CONSOLIDATED RETURNS, ACTUALLY USES IN REPORTING TAXABLE INCOME TO THE FEDERAL GOVERNMENT, OR WHICH THE CORPORATION WOULD HAVE USED IN REPORTING TAXABLE INCOME TO THE FEDERAL GOVERNMENT HAD IT BEEN REQUIRED TO REPORT ITS TAXABLE INCOME TO THE FEDERAL GOVERNMENT. WITH REGARD TO THE TAX IMPOSED BY ARTICLE IV, THE TERMS "ANNUAL YEAR," "FISCAL YEAR," "ANNUAL OR FISCAL YEAR," "TAX YEAR" AND "TAX PERIOD" SHALL BE THE SAME AS THE CORPORATION'S TAXABLE YEAR, AS DEFINED IN THIS SUBCLAUSE OR SUBCLAUSE 2.

2. ALL MEMBERS OF A UNITARY BUSINESS SHALL HAVE A COMMON TAXABLE YEAR FOR PURPOSES OF COMPUTING TAX DUE UNDER THIS ARTICLE. THE TAXABLE YEAR FOR SUCH PURPOSES IS THE COMMON TAXABLE YEAR ADOPTED, IN A MANNER PRESCRIBED BY THE DEPARTMENT, BY ALL MEMBERS OF THE UNITARY BUSINESS. THE COMMON TAXABLE YEAR MUST BE USED BY ALL MEMBERS OF THE UNITARY BUSINESS IN THE YEAR OF ADOPTION AND ALL FUTURE YEARS UNLESS OTHERWISE PERMITTED BY THE DEPARTMENT.

* * *

(12) "TAX HAVEN." ANY OF THE FOLLOWING:

(A) ANDORRA.

1 (B) ANGUILLA.
2 (C) ANTIGUA AND BARBUDA.
3 (D) ARUBA.
4 (E) THE BAHAMAS.
5 (F) BAHRAIN.
6 (G) BARBADOS.
7 (H) BELIZE.
8 (I) BERMUDA.
9 (J) BONAIRE.
10 (K) THE BRITISH VIRGIN ISLANDS.
11 (L) THE CAYMAN ISLANDS.
12 (M) THE COOK ISLANDS.
13 (N) CURACAO.
14 (O) CYPRUS.
15 (P) DOMINICA.
16 (Q) GIBRALTAR.
17 (R) GRENADA.
18 (S) GUERNSEY-SARK-ALDERNEY.
19 (T) IRELAND.
20 (U) THE ISLE OF MAN.
21 (V) JERSEY.
22 (W) LIBERIA.
23 (X) LIECHTENSTEIN.
24 (Y) LUXEMBOURG.
25 (Z) MALTA.
26 (AA) THE MARSHALL ISLANDS.
27 (BB) MAURITIUS.
28 (CC) MONACO.
29 (DD) MONTSERRAT.
30 (EE) NAURU.

1 (FF) THE NETHERLANDS.

2 (GG) NIUE.

3 (HH) PANAMA.

4 (II) SABA.

5 (JJ) SAMOA.

6 (KK) SAN MARINO.

7 (LL) SEYCHELLES.

8 (MM) SINGAPORE.

9 (NN) ST. EUSTATIUS.

10 (OO) ST. KITTS AND NEVIS.

11 (PP) ST. LUCIA.

12 (QQ) ST. MAARTEN.

13 (RR) ST. VINCENT AND THE GRENADINES.

14 (SS) SWITZERLAND.

15 (TT) TURKS AND CAICOS ISLANDS.

16 (UU) VANUATU.

17 (VV) A JURISDICTION THAT IS IDENTIFIED AS A TAX HAVEN BY THE
18 ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT.

19 (13) "UNITARY BUSINESS." A SINGLE ECONOMIC ENTERPRISE THAT
20 IS MADE UP OF SEPARATE PARTS OF A SINGLE CORPORATION, OF A
21 COMMONLY CONTROLLED GROUP OF CORPORATIONS, OR BOTH, THAT ARE
22 SUFFICIENTLY INTERDEPENDENT, INTEGRATED AND INTERRELATED THROUGH
23 THEIR ACTIVITIES SO AS TO PROVIDE A SYNERGY AND MUTUAL BENEFIT
24 THAT PRODUCES A SHARING OR EXCHANGE OF VALUE AMONG THEM AND A
25 FLOW OF VALUE TO THE SEPARATE PARTS. A UNITARY BUSINESS INCLUDES
26 ALL THOSE PARTS AND CORPORATIONS THAT ARE INCLUDED IN A UNITARY
27 BUSINESS UNDER THE CONSTITUTION OF THE UNITED STATES.

28 (14) "WATER'S-EDGE BASIS." A SYSTEM OF REPORTING THAT
29 INCLUDES THE INCOME AND APPORTIONMENT FACTORS OF CERTAIN MEMBERS
30 OF A UNITARY BUSINESS, DESCRIBED AS FOLLOWS:

1 (A) ANY MEMBER INCORPORATED IN THE UNITED STATES OR FORMED
2 UNDER THE LAWS OF ANY STATE OF THE UNITED STATES, THE DISTRICT
3 OF COLUMBIA, ANY TERRITORY OR POSSESSION OF THE UNITED STATES OR
4 THE COMMONWEALTH OF PUERTO RICO.

5 (B) ANY MEMBER, REGARDLESS OF THE PLACE INCORPORATED OR
6 FORMED, IF AT LEAST TWENTY PER CENT OF THE MEMBER'S SALES FACTOR
7 IS WITHIN THE UNITED STATES, AND THE FOLLOWING SHALL APPLY:

8 (I) FOR PURPOSES OF DETERMINING WHETHER AT LEAST TWENTY PER
9 CENT OF A MEMBER'S SALES FACTOR IS WITHIN THE UNITED STATES, THE
10 CALCULATION MUST BE PERFORMED ON A STAND-ALONE BASIS. SALES
11 SHALL BE GROSS FIGURES WITHOUT ELIMINATIONS FOR TRANSACTIONS
12 WITH OTHER MEMBERS OF ANY UNITARY BUSINESS.

13 (II) WHETHER SALES ARE WITHIN THE UNITED STATES IS BASED ON
14 THE SALES FACTOR SOURCING RULES CONTAINED IN SECTION 401(3).

15 (C) ANY MEMBER WHICH IS ONE OF THE FOLLOWING:

16 (I) A DOMESTIC INTERNATIONAL SALES CORPORATION AS DESCRIBED
17 IN 26 U.S.C. CH. 1 SUBCH. N PT. IV SUBPT. A (RELATING TO
18 TREATMENT OF QUALIFYING CORPORATIONS).

19 (II) A FOREIGN SALES CORPORATION AS DESCRIBED IN 26 U.S.C.
20 CH. 1 SUBCH. N PT. IV SUBPTS. A AND B (RELATING TO TREATMENT OF
21 DISTRIBUTIONS TO SHAREHOLDERS).

22 (III) AN EXPORT TRADE CORPORATION AS DESCRIBED IN 26 U.S.C.
23 §§ 970 (RELATING TO REDUCTION OF SUBPART F INCOME OF EXPORT
24 TRADE CORPORATIONS) AND 971 (RELATING TO DEFINITIONS).

25 (D) ANY MEMBER NOT DESCRIBED IN SUBPARAGRAPH (A), (B) OR (C)
26 SHALL INCLUDE THE PORTION OF THE MEMBER'S TAXABLE INCOME DERIVED
27 FROM OR ATTRIBUTABLE TO SOURCES WITHIN THE UNITED STATES, AS
28 DETERMINED UNDER 26 U.S.C. (RELATING TO INTERNAL REVENUE CODE)
29 WITHOUT REGARD TO FEDERAL TREATIES, AND ITS APPORTIONMENT
30 FACTORS RELATED THERETO.

1 (E) ANY MEMBER THAT IS A "CONTROLLED FOREIGN CORPORATION" AS
2 DEFINED IN 26 U.S.C. § 957 (RELATING TO CONTROLLED FOREIGN
3 CORPORATIONS; UNITED STATES PERSONS), TO THE EXTENT THE INCOME
4 OF THAT MEMBER IS INCOME DEFINED IN 26 U.S.C. § 952 (RELATING TO
5 SUBPART F INCOME DEFINED) AS SUBPART F INCOME, NOT EXCLUDING
6 LOWER-TIER SUBSIDIARIES' DISTRIBUTIONS OF SUCH INCOME WHICH WERE
7 PREVIOUSLY TAXED, DETERMINED WITHOUT REGARD TO FEDERAL TREATIES,
8 AND THE APPORTIONMENT FACTORS RELATED TO THAT INCOME; ANY ITEM
9 OF INCOME RECEIVED BY A CONTROLLED FOREIGN CORPORATION AND THE
10 APPORTIONMENT FACTORS RELATED TO SUCH INCOME SHALL BE EXCLUDED
11 IF THE CORPORATION ESTABLISHES TO THE SATISFACTION OF THE
12 SECRETARY OF REVENUE THAT SUCH INCOME WAS SUBJECT TO AN
13 EFFECTIVE RATE OF INCOME TAX IMPOSED BY A FOREIGN COUNTRY
14 GREATER THAN NINETY PER CENT OF THE MAXIMUM RATE OF TAX
15 SPECIFIED IN 26 U.S.C. § 11 (RELATING TO TAX IMPOSED). THE
16 EFFECTIVE RATE OF INCOME TAX DETERMINATION SHALL BE BASED UPON
17 THE METHODOLOGY SET FORTH UNDER 26 CFR 1.954-1 (RELATING TO
18 FOREIGN BASE COMPANY INCOME).

19 (F) ANY MEMBER THAT IS INCORPORATED IN OR IS DOING BUSINESS
20 IN A TAX HAVEN. THE INCOME AND APPORTIONMENT FACTORS OF A MEMBER
21 DOING BUSINESS IN A TAX HAVEN SHALL BE EXCLUDED IF THE MEMBER
22 ESTABLISHES TO THE SATISFACTION OF THE SECRETARY OF REVENUE THAT
23 THE MEMBER'S INCOME WAS SUBJECT TO AN EFFECTIVE RATE OF INCOME
24 TAX IMPOSED BY A COUNTRY GREATER THAN NINETY PER CENT OF THE
25 MAXIMUM RATE OF TAX SPECIFIED IN 26 U.S.C. § 11.

26 (15) "COMMONLY CONTROLLED GROUP." FOR A CORPORATION, THE
27 CORPORATION IS A MEMBER OF A GROUP OF TWO OR MORE CORPORATIONS
28 AND MORE THAN FIFTY PER CENT OF THE VOTING STOCK OR CONTROLLING
29 INTEREST OF EACH MEMBER OF THE GROUP IS DIRECTLY OR INDIRECTLY
30 OWNED BY A COMMON OWNER OR BY COMMON OWNERS, EITHER CORPORATE OR

NONCORPORATE, OR BY ONE OR MORE OF THE MEMBER CORPORATIONS OF
THE GROUP.

(16) "COMBINED UNITARY INCOME." THE AGGREGATE TAXABLE
INCOME OR LOSS OF ALL MEMBERS OF A UNITARY BUSINESS, SUBJECT TO
APPORTIONMENT, EXCEPT:

(A) INCOME FROM AN INTERCOMPANY TRANSACTION BETWEEN MEMBERS
OF A UNITARY BUSINESS SHALL BE DEFERRED IN A MANNER SIMILAR TO
26 CFR 1.1502-13 (RELATING TO INTERCOMPANY TRANSACTIONS) FOR
FEDERAL TAXABLE INCOME PURPOSES.

(B) DIVIDENDS PAID BY ONE MEMBER OF A UNITARY BUSINESS TO
ANOTHER.

(C) INCOME OF THE FOLLOWING MEMBERS IS NOT INCLUDED IN THE
DETERMINATION OF COMBINED UNITARY INCOME:

(I) ANY MEMBER SUBJECT TO TAXATION UNDER ARTICLE VII, VIII,
IX OR XV;

(II) ANY MEMBER SPECIFIED IN THE DEFINITION OF "INSTITUTION"
IN SECTION 701.5 THAT WOULD BE SUBJECT TO TAXATION UNDER ARTICLE
VII, WERE IT DOING BUSINESS IN THIS STATE, AS DEFINED IN SECTION
701.5;

(III) ANY MEMBER COMMONLY KNOWN AS A TITLE INSURANCE COMPANY
THAT WOULD BE SUBJECT TO TAXATION UNDER ARTICLE VIII, WERE IT
INCORPORATED IN THIS STATE;

(IV) ANY MEMBER SPECIFIED AS AN INSURANCE COMPANY,
ASSOCIATION OR EXCHANGE IN ARTICLE IX THAT WOULD BE SUBJECT TO
TAXATION UNDER ARTICLE IX, WERE IT TRANSACTING INSURANCE
BUSINESS IN THIS STATE;

(V) ANY MEMBER SPECIFIED IN THE DEFINITION OF "INSTITUTION"
IN SECTION 1501 THAT WOULD BE SUBJECT TO TAXATION UNDER ARTICLE
XV, WERE IT LOCATED, AS DEFINED IN SECTION 1501, IN THIS STATE;
OR

(VI) ANY MEMBER THAT IS A SMALL CORPORATION AS DEFINED IN
SECTION 301(S.2) EXCEPT TO THE EXTENT OF SUCH SMALL
CORPORATION'S NET RECOGNIZED BUILT-IN GAIN TO THE EXTENT OF AND
AS DETERMINED FOR FEDERAL INCOME TAX PURPOSES UNDER 26 U.S.C. §
1374(D)(2) (RELATING TO TAX IMPOSED ON CERTAIN BUILT-IN GAINS).

(17) "MEMBER." A CORPORATION THAT IS A MEMBER OF A UNITARY
BUSINESS. THE TERM DOES NOT INCLUDE A CORPORATION LISTED IN
CLAUSE (15)(C).

SECTION 3. SECTION 402(B) OF THE ACT, AMENDED JULY 8, 2022
(P.L.513, NO.53), IS AMENDED TO READ:

SECTION 402. IMPOSITION OF TAX.--* * *

(B) THE ANNUAL RATE OF TAX ON CORPORATE NET INCOME IMPOSED
BY SUBSECTION (A) FOR TAXABLE YEARS BEGINNING FOR THE CALENDAR
YEAR OR FISCAL YEAR ON OR AFTER THE DATES SET FORTH SHALL BE AS
FOLLOWS:

TAXABLE YEAR	TAX RATE
JANUARY 1, 1995,	
THROUGH DECEMBER	
31, 2022	9.99%
JANUARY 1, 2023,	
THROUGH DECEMBER	
31, 2023	[8.99%] <u>7.99%</u>
JANUARY 1, 2024,	
THROUGH DECEMBER	
31, 2024	[8.49%] <u>6.99%</u>
JANUARY 1, 2025,	
THROUGH DECEMBER	
31, 2025	[7.99%] <u>5.99%</u>
JANUARY 1, 2026,	
[THROUGH DECEMBER	

1	31, 2026]	AND EACH	[7.49%]	4.99%
2	<u>TAXABLE YEAR</u>			
3	<u>THEREAFTER</u>			
4	[JANUARY 1, 2027,			
5	THROUGH DECEMBER			
6	31, 2027		6.99%	
7	JANUARY 1, 2028,			
8	THROUGH DECEMBER			
9	31, 2028		6.49%	
10	JANUARY 1, 2029,			
11	THROUGH DECEMBER			
12	31, 2029		5.99%	
13	JANUARY 1, 2030,			
14	THROUGH DECEMBER			
15	31, 2030		5.49%	
16	JANUARY 1, 2031, AND			
17	EACH TAXABLE YEAR			
18	THEREAFTER		4.99%]	

19 * * *

20 SECTION 4. SECTION 403 OF THE ACT IS AMENDED BY ADDING
 21 SUBSECTIONS TO READ:

22 SECTION 403. REPORTS AND PAYMENT OF TAX.--* * *

23 (A.1) (1) EACH CORPORATION THAT IS A MEMBER OF A UNITARY
 24 BUSINESS THAT CONSISTS OF TWO OR MORE CORPORATIONS, UNLESS
 25 EXCLUDED BY THE PROVISIONS OF THIS ARTICLE, SHALL FILE AS PART
 26 OF A COMBINED ANNUAL REPORT. THE MEMBER OF THE UNITARY BUSINESS
 27 SHALL DESIGNATE ONE MEMBER THAT IS SUBJECT TO TAX UNDER THIS
 28 ARTICLE TO FILE THE COMBINED ANNUAL REPORT AND TO ACT AS AGENT
 29 ON BEHALF OF ALL OTHER MEMBERS OF THE UNITARY BUSINESS. EACH
 30 CORPORATION THAT IS A MEMBER OF A UNITARY BUSINESS IS LIABLE FOR

1 ITS TAX LIABILITY UNDER THIS ARTICLE. THE AGENT IS ALSO LIABLE
2 FOR THE AGGREGATE AMOUNT OF THE UNITARY BUSINESS' TAX LIABILITY
3 PURSUANT TO THIS ARTICLE.

4 (2) THE OATH OR AFFIRMATION OF THE DESIGNATED MEMBER'S
5 PRESIDENT, VICE PRESIDENT, TREASURER, ASSISTANT TREASURER OR
6 OTHER AUTHORIZED OFFICER SHALL CONSTITUTE THE OATH OR
7 AFFIRMATION OF EACH CORPORATION THAT IS A MEMBER OF THAT UNITARY
8 BUSINESS.

9 (3) THE DESIGNATED MEMBER SHALL TRANSMIT TO THE DEPARTMENT
10 UPON A FORM PRESCRIBED BY THE DEPARTMENT A COMBINED ANNUAL
11 REPORT UNDER OATH OR AFFIRMATION OF THE MEMBER'S PRESIDENT, VICE
12 PRESIDENT, TREASURER, ASSISTANT TREASURER OR OTHER AUTHORIZED
13 OFFICER.

14 (4) IN ADDITION TO THE INFORMATION REQUIRED IN SUBSECTION
15 (A), THE COMBINED ANNUAL REPORT SHALL SET FORTH:

16 (I) ALL MEMBERS INCLUDED IN THE UNITARY BUSINESS.

17 (II) ALL NECESSARY DATA, BOTH IN THE AGGREGATE AND FOR EACH
18 MEMBER OF THE UNITARY BUSINESS, THAT SETS FORTH THE
19 DETERMINATION OF TAX LIABILITY FOR EACH MEMBER OF THE UNITARY
20 BUSINESS.

21 (III) ANY OTHER INFORMATION THAT THE DEPARTMENT MAY REQUIRE.

22 (A.2) A MEMBER OF A UNITARY BUSINESS OF TWO OR MORE
23 CORPORATIONS MUST DETERMINE THE MEMBER'S INCOME AND
24 APPORTIONMENT FACTORS ON A WATER'S-EDGE BASIS.

25 * * *

26 SECTION 5. SECTIONS 404 AND 407.7 OF THE ACT ARE AMENDED TO
27 READ:

28 SECTION 404. CONSOLIDATED REPORTS.--THE DEPARTMENT SHALL NOT
29 PERMIT ANY CORPORATION OWNING OR CONTROLLING, DIRECTLY OR
30 INDIRECTLY, ANY OF THE VOTING CAPITAL STOCK OF ANOTHER

CORPORATION OR OF OTHER CORPORATIONS, SUBJECT TO THE PROVISIONS OF THIS ARTICLE, TO MAKE A CONSOLIDATED REPORT[, SHOWING THE COMBINED NET INCOME].

SECTION 407.7. MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION.-- (A) IN ORDER TO BE ELIGIBLE TO RECEIVE A MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION, A TAXPAYER MUST DEMONSTRATE TO THE DEPARTMENT A PRIVATE CAPITAL INVESTMENT IN EXCESS OF [SIXTY MILLION DOLLARS (\$60,000,000)] FIFTY MILLION DOLLARS (\$50,000,000) FOR THE CREATION OF NEW OR REFURBISHED MANUFACTURING CAPACITY WITHIN [THREE YEARS OF A DESIGNATED START DATE] THE APPLICABLE TIME PERIOD SPECIFIED IN SUBSECTION (B).

(B) (1) A TAXPAYER MUST ADVISE THE DEPARTMENT IN ADVANCE OF THE START DATE OF ANY PROJECT FOR WHICH THE TAXPAYER MAY SEEK A QUALIFIED MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION. A TAXPAYER MUST ATTEST THE TAXPAYER'S INTENT TO MEET THE ELIGIBILITY CRITERIA AND PROVIDE RELEVANT INFORMATION PERTINENT TO THE PROJECT'S SIZE AND SCOPE IN A MANNER AS DETERMINED BY THE DEPARTMENT.

(2) FOR A PRIVATE CAPITAL INVESTMENT OF LESS THAN OR EQUAL TO ONE HUNDRED FIFTY MILLION DOLLARS (\$150,000,000), THE FOLLOWING SHALL APPLY:

(I) THE PROJECT MUST BE COMPLETED WITHIN THREE YEARS OF THE PROJECT'S START DATE.

(II) WITHIN FIVE YEARS OF [A] THE PROJECT'S START DATE, [A] THE TAXPAYER MUST COMPLETE TO THE DEPARTMENT'S SATISFACTION AN APPLICATION ON A FORM AND IN A MANNER AS DETERMINED BY THE DEPARTMENT TO ATTEST THAT THE PROJECT HAS BEEN COMPLETED AND THE ELIGIBILITY CRITERIA HAS BEEN SATISFIED.

(3) FOR A PRIVATE CAPITAL INVESTMENT GREATER THAN ONE HUNDRED FIFTY MILLION ONE DOLLARS (\$150,000,001) AND LESS THAN

TWO HUNDRED FIFTY MILLION DOLLARS (\$250,000,000), THE FOLLOWING
SHALL APPLY:

(I) THE PROJECT MUST BE COMPLETED WITHIN FIVE YEARS OF THE
PROJECT'S START DATE.

(II) WITHIN SEVEN YEARS OF THE PROJECT'S START DATE, THE
TAXPAYER MUST COMPLETE TO THE DEPARTMENT'S SATISFACTION AN
APPLICATION ON A FORM AND IN A MANNER AS DETERMINED BY THE
DEPARTMENT TO ATTEST THAT THE PROJECT HAS BEEN COMPLETED AND THE
ELIGIBILITY CRITERIA HAS BEEN SATISFIED.

(4) FOR A PRIVATE CAPITAL INVESTMENT GREATER THAN TWO
HUNDRED FIFTY MILLION ONE DOLLARS (\$250,000,001) AND LESS THAN
THREE HUNDRED FIFTY MILLION DOLLARS (\$350,000,000), THE
FOLLOWING SHALL APPLY:

(I) THE PROJECT MUST BE COMPLETED WITHIN SEVEN YEARS OF THE
PROJECT'S START DATE.

(II) WITHIN NINE YEARS OF THE PROJECT'S START DATE, THE
TAXPAYER MUST COMPLETE TO THE DEPARTMENT'S SATISFACTION AN
APPLICATION ON A FORM AND IN A MANNER AS DETERMINED BY THE
DEPARTMENT TO ATTEST THAT THE PROJECT HAS BEEN COMPLETED AND THE
ELIGIBILITY CRITERIA HAS BEEN SATISFIED.

(5) FOR A PRIVATE CAPITAL INVESTMENT GREATER THAN THREE
HUNDRED FIFTY MILLION ONE DOLLARS (\$350,000,001), THE DEPARTMENT
SHALL ESTABLISH THE TIME PERIOD FROM THE PROJECT'S START DATE IN
WHICH THE PROJECT MUST BE COMPLETED AND THE TIME PERIOD IN WHICH
THE APPLICATION AS DESCRIBED IN PARAGRAPH (4) MUST BE COMPLETED.

(C) UPON THE RECEIPT OF THE TAXPAYER'S APPLICATION, THE
DEPARTMENT OF REVENUE [MUST] SHALL MAKE A FINDING [THAT] WHETHER
THE APPLICANT HAS FILED ALL REQUIRED STATE TAX REPORTS AND
RETURNS FOR ALL APPLICABLE TAX YEARS AND PAID ANY BALANCE OF
STATE TAX DUE AS DETERMINED AT SETTLEMENT, ASSESSMENT OR

1 DETERMINATION, AND THE DEPARTMENT, THEN IN CONJUNCTION WITH THE
2 DEPARTMENT OF REVENUE, SHALL MAKE AN ELIGIBILITY OR SATISFACTION
3 DETERMINATION WITHIN NINETY DAYS OF SUBMISSION. IF THE
4 DEPARTMENT MAKES A SATISFACTION DETERMINATION, THE DEPARTMENT
5 AND THE TAXPAYER SHALL EXECUTE A SATISFACTION COMMITMENT LETTER
6 CONTAINING THE FOLLOWING:

7 (1) THE NUMBER OF NEW JOBS CREATED AND THEIR CORRESPONDING
8 DESCRIPTION.

9 (2) THE NUMBER OF NEW JOBS CREATED DURING CONSTRUCTION OF
10 THE PROJECT.

11 (3) THE AMOUNT OF PRIVATE CAPITAL INVESTMENT IN THE CREATION
12 OF NEW JOBS.

13 (4) THE INCREASE IN THE ANNUAL TAXABLE PAYROLL ATTRIBUTABLE
14 TO NEW MANUFACTURING JOBS.

15 (5) A DETERMINATION OF THE MAXIMUM ALLOWABLE DEDUCTION
16 AGAINST A TAXPAYER'S QUALIFIED TAX LIABILITY UNDER THIS ARTICLE.

17 (6) ANY OTHER INFORMATION AS THE DEPARTMENT DEEMS
18 APPROPRIATE.

19 (D) (1.1) IF THE PRIVATE CAPITAL INVESTMENT IS IN EXCESS OF
20 SIXTY MILLION DOLLARS (\$60,000,000), BUT NOT MORE THAN ONE
21 HUNDRED MILLION DOLLARS (\$100,000,000), THE MAXIMUM ALLOWABLE
22 DEDUCTION SHALL BE EQUAL TO THIRTY-SEVEN AND ONE-HALF PER CENT
23 OF THE PRIVATE CAPITAL INVESTMENT UTILIZED IN THE CREATION OF
24 NEW OR REFURBISHED MANUFACTURING CAPACITY. A TAXPAYER MAY
25 UTILIZE THE DEDUCTION IN AN AMOUNT NOT TO EXCEED SEVEN AND ONE-
26 HALF PER CENT OF THE PRIVATE CAPITAL INVESTMENT UTILIZED IN THE
27 CREATION OF NEW OR REFURBISHED MANUFACTURING CAPACITY IN ANY ONE
28 YEAR OF THE SUCCEEDING TEN TAX YEARS IMMEDIATELY FOLLOWING THE
29 DEPARTMENT'S SATISFACTION DETERMINATION AND THE EXECUTION OF A
30 SATISFACTION COMMITMENT LETTER, UP TO THE MAXIMUM ALLOWABLE

1 DEDUCTION. THIS PARAGRAPH SHALL ONLY APPLY TO APPLICATIONS MADE
2 PRIOR TO JANUARY 1, 2024.

3 (1.2) IF [THE] A TAXPAYER'S PRIVATE CAPITAL INVESTMENT FOR A
4 PROJECT EXCEEDS [ONE HUNDRED MILLION DOLLARS (\$100,000,000)]
5 FIFTY MILLION DOLLARS (\$50,000,000), THE MAXIMUM ALLOWABLE
6 DEDUCTION SHALL BE EQUAL TO TWENTY-FIVE PER CENT OF THE PRIVATE
7 CAPITAL INVESTMENT UTILIZED IN THE CREATION OF NEW OR
8 REFURBISHED MANUFACTURING CAPACITY. A TAXPAYER MAY UTILIZE THE
9 DEDUCTION IN AN AMOUNT NOT TO EXCEED FIVE PER CENT OF THE
10 PRIVATE CAPITAL INVESTMENT UTILIZED IN THE CREATION OF NEW OR
11 REFURBISHED MANUFACTURING CAPACITY IN ANY ONE YEAR OF THE
12 SUCCEEDING TEN TAX YEARS IMMEDIATELY FOLLOWING THE DEPARTMENT'S
13 SATISFACTION DETERMINATION AND THE EXECUTION OF A SATISFACTION
14 COMMITMENT LETTER, UP TO THE MAXIMUM ALLOWABLE DEDUCTION.

15 (1.3) IF A TAXPAYER EXECUTES A SATISFACTION COMMITMENT
16 LETTER FOR MORE THAN TWO CONCURRENT PROJECTS WITH A TOTAL
17 PRIVATE CAPITAL INVESTMENT EXCEEDING FIVE HUNDRED MILLION
18 DOLLARS (\$500,000,000), THE MAXIMUM ALLOWABLE DEDUCTION FOR ANY
19 SUCCEEDING PROJECT SHALL BE EQUAL TO TWENTY-FIVE PER CENT OF THE
20 PRIVATE CAPITAL INVESTMENT UTILIZED IN THE CREATION OF NEW OR
21 REFURBISHED MANUFACTURING CAPACITY. A TAXPAYER MAY UTILIZE THE
22 DEDUCTION IN AN AMOUNT NOT TO EXCEED FIVE PER CENT OF THE
23 PRIVATE CAPITAL INVESTMENT UTILIZED IN THE CREATION OF NEW OR
24 REFURBISHED MANUFACTURING CAPACITY IN ANY ONE YEAR OF THE
25 SUCCEEDING TWENTY TAX YEARS IMMEDIATELY FOLLOWING THE
26 DEPARTMENT'S SATISFACTION DETERMINATION AND THE EXECUTION OF A
27 SATISFACTION COMMITMENT LETTER, UP TO THE MAXIMUM ALLOWABLE
28 DEDUCTION.

29 (3) A TAXPAYER CANNOT USE THE DEDUCTION TO REDUCE [ITS] THE
30 TAXPAYER'S TAX LIABILITY BY MORE THAN FIFTY PER CENT OF THE TAX

LIABILITY UNDER THIS ARTICLE FOR THE TAXABLE YEAR. THE DEDUCTION IS NONTRANSFERABLE AND ANY UNUSED PORTION IN A TAX YEAR SHALL EXPIRE AT THE END OF THE CORRESPONDING TAX YEAR.

SECTION 6. SECTION 1102-C.6(B) OF THE ACT, AMENDED NOVEMBER 3, 2022 (P.L.1695, NO.108), IS AMENDED TO READ:

SECTION 1102-C.6. TRANSFER OF TAX.--* * *

(B) THE AMOUNT TRANSFERRED UNDER SUBSECTION (A) MAY NOT EXCEED THE FOLLOWING:

(1) FOR EACH FISCAL YEAR BEGINNING AFTER JUNE 30, 2019, AND ENDING PRIOR TO JULY 1, 2023, FORTY MILLION DOLLARS (\$40,000,000).

[(2) FOR THE FISCAL YEAR BEGINNING JULY 1, 2023, AND EACH FISCAL YEAR THEREAFTER, SIXTY MILLION DOLLARS (\$60,000,000).]

(3) FOR THE FISCAL YEAR BEGINNING JULY 1, 2023, SIXTY MILLION DOLLARS (\$60,000,000).

(4) FOR THE FISCAL YEAR BEGINNING JULY 1, 2024, EIGHTY MILLION DOLLARS (\$80,000,000).

(5) FOR THE FISCAL YEAR BEGINNING JULY 1, 2025, AND EACH FISCAL YEAR THEREAFTER, NINETY MILLION DOLLARS (\$90,000,000).

(6) FOR THE FISCAL YEAR BEGINNING JULY 1, 2026, AND EACH FISCAL YEAR THEREAFTER, ONE HUNDRED MILLION DOLLARS (\$100,000,000).

* * *

SECTION 7. THE DEFINITION OF "TAX CREDIT" IN SECTION 1701-A.1 OF THE ACT IS AMENDED TO READ:

SECTION 1701-A.1. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

* * *

"TAX CREDIT." A TAX CREDIT AUTHORIZED UNDER ANY OF THE
FOLLOWING:

- (1) ARTICLE XVII-B.
- (2) ARTICLE XVII-D.
- (3) ARTICLE XVII-E.
- (4) ARTICLE XVII-G.
- (5) ARTICLE XVII-H.
- (6) ARTICLE XVII-I.
- (7) ARTICLE XVII-J.
- (8) ARTICLE XVII-K.
- (8.1) ARTICLE XVII-L.
- (9) ARTICLE XVIII.
- (10) ARTICLE XVIII-B.
- (11) ARTICLE XVIII-D.
- (12) ARTICLE XVIII-E.
- (13) ARTICLE XVIII-F.
- (14) ARTICLE XVIII-G.
- (14.1) ARTICLE XVIII-H.
- (15) ARTICLE XIX-A.
- (15.1) ARTICLE XIX-C.
- (16) ARTICLE XIX-E.
- (16.1) ARTICLE XIX-F.
- (17) SECTION 2010.
- [(19) ARTICLE XX-B OF THE ACT OF MARCH 10, 1949 (P.L.30,
NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949.]
- (20) THE ACT OF DECEMBER 1, 2004 (P.L.1750, NO.226),
KNOWN AS THE FIRST CLASS CITIES ECONOMIC DEVELOPMENT DISTRICT
ACT.
- (21) 12 PA.C.S. CH. 34 (RELATING TO INFRASTRUCTURE AND
FACILITIES IMPROVEMENT PROGRAM) .

(22) ANY OTHER PROGRAM ESTABLISHED BY A LAW OF THIS COMMONWEALTH IN WHICH A PERSON APPLIES FOR AND RECEIVES A CREDIT AGAINST A TAX. THIS PARAGRAPH SHALL NOT APPLY TO A CREDIT AGAINST A TAX LIABILITY AS A RESULT OF AN OVERPAYMENT.

* * *

SECTION 8. (RESERVED).

SECTION 9. SECTION 1711-D OF THE ACT IS AMENDED BY ADDING DEFINITIONS TO READ:

SECTION 1711-D. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

* * *

"MAINTAINS A PLACE OF BUSINESS" OR "MAINTAINING A PLACE OF BUSINESS." ALL OF THE FOLLOWING:

(1) OWNING OR RENTING AT LEAST 5,000 SQUARE FEET OF OFFICE, WAREHOUSE OR OTHER SPACE WITHIN THIS COMMONWEALTH.

(2) USING AN OFFICE, WAREHOUSE OR OTHER SPACE LOCATED WITHIN THIS COMMONWEALTH TO SELL, LEASE, MANUFACTURE OR DELIVER TANGIBLE PERSONAL PROPERTY OR THE PERFORMANCE OF A SERVICE.

(3) EMPLOYING AT LEAST FIVE INDIVIDUALS SUBJECT TO PENNSYLVANIA EMPLOYMENT TAXES IN THE SALE, LEASE, MANUFACTURE OR DELIVERY OF TANGIBLE PERSONAL PROPERTY OR IN THE PERFORMANCE OF A SERVICE.

(4) IF IN THE BUSINESS OF SELLING, LEASING MANUFACTURING OR DELIVERING TANGIBLE PERSONAL PROPERTY, MAINTAINING AN INVENTORY OF TANGIBLE PERSONAL PROPERTY WITHIN THIS COMMONWEALTH FOR THE SALE, LEASE OR DELIVERY TO RESIDENTS OF OR ENTITIES DOING BUSINESS IN THIS COMMONWEALTH.

1 (5) REGULARLY ENGAGING IN THE LEASE, SALE OR DELIVERY OF
2 TANGIBLE PERSONAL PROPERTY OR THE PERFORMANCE OF A SERVICE AS
3 A BUSINESS FOR RESIDENTS OF OR ENTITIES DOING BUSINESS IN
4 THIS COMMONWEALTH.

5 * * *

6 "QUALIFIED LOCATION IN THIS COMMONWEALTH." A COUNTY IN THIS
7 COMMONWEALTH, EXCEPT FOR:

8 (1) A COUNTY OF THE FIRST CLASS.

9 (2) A COUNTY OF THE SECOND CLASS.

10 (3) A COUNTY OF THE SECOND CLASS A.

11 (4) A HOME RULE COUNTY THAT WAS FORMERLY A COUNTY OF THE
12 SECOND CLASS A.

13 (5) A COUNTY OF THE THIRD CLASS THAT EITHER:

14 (I) SHARES A BORDER WITH A HOME RULE COUNTY THAT WAS
15 FORMERLY A COUNTY OF THE SECOND CLASS A; OR

16 (II) SHARES A BORDER WITH A COUNTY OF THE SECOND
17 CLASS.

18 (6) A COUNTY OF THE FOURTH CLASS THAT EITHER:

19 (I) SHARES A BORDER WITH A COUNTY OF THE SECOND
20 CLASS; OR

21 (II) SHARES A BORDER WITH A COUNTY OF THE THIRD
22 CLASS THAT SHARES A BORDER WITH A COUNTY OF THE SECOND
23 CLASS.

24 (7) A COUNTY OF THE SIXTH CLASS THAT SHARES A BORDER
25 WITH A COUNTY OF THE FOURTH CLASS THAT SHARES A BORDER WITH A
26 COUNTY OF THE SECOND CLASS.

27 * * *

28 "REPRESENTATIVE." A PERSON THAT MEETS ALL OF THE FOLLOWING
29 CRITERIA:

30 (1) IS AUTHORIZED TO COMMUNICATE WITH THE DEPARTMENT ON

1 BEHALF OF A TAXPAYER REGARDING AN APPLICATION SUBMITTED UNDER
2 SECTION 1712-D.

3 (2) MAINTAINS A PLACE OF BUSINESS IN THIS COMMONWEALTH.

4 (3) HAS SUBSTANTIAL EXPERIENCE WORKING WITH THE
5 ENTERTAINMENT PRODUCTION TAX CREDITS.

6 (4) HAS EMPLOYEES WHO ARE REGISTERED WITH THE DEPARTMENT
7 OF REVENUE IN ACCORDANCE WITH SECTION 1706-A.1.

8 * * *

9 SECTION 10. SECTION 1712-D(B) OF THE ACT, AMENDED JULY 8,
10 2022 (P.L.513, NO.53), IS AMENDED TO READ:

11 SECTION 1712-D. CREDIT FOR QUALIFIED FILM PRODUCTION
12 EXPENSES.

13 * * *

14 (B) REVIEW AND APPROVAL.--THE DEPARTMENT SHALL ESTABLISH
15 APPLICATION PERIODS NOT TO EXCEED 90 DAYS EACH. ALL APPLICATIONS
16 RECEIVED DURING THE APPLICATION PERIOD SHALL BE REVIEWED AND
17 EVALUATED BY THE DEPARTMENT BASED ON THE FOLLOWING CRITERIA:

18 (1) THE ANTICIPATED NUMBER OF PRODUCTION DAYS IN A
19 QUALIFIED PRODUCTION FACILITY.

20 (2) THE ANTICIPATED NUMBER OF PENNSYLVANIA EMPLOYEES.

21 (3) THE NUMBER OF PREPRODUCTION DAYS THROUGH
22 POSTPRODUCTION DAYS IN PENNSYLVANIA.

23 (4) THE ANTICIPATED NUMBER OF DAYS SPENT IN PENNSYLVANIA
24 HOTELS[.], EXCEPT IN CONNECTION WITH THE PENNSYLVANIA FILM
25 PRODUCER RESERVE FOR WHICH THE ANTICIPATED NUMBER OF DAYS
26 SPENT IN PENNSYLVANIA HOTELS SHALL NOT APPLY AS EVALUATION
27 CRITERIA.

28 (5) THE PENNSYLVANIA PRODUCTION EXPENSES IN COMPARISON
29 TO THE PRODUCTION BUDGET.

30 (5.1) FOR A PENNSYLVANIA FILM PRODUCER, THE PORTION OF

1 ALL PREPRODUCTION EXPENSES, PRODUCTION EXPENSES AND
2 POSTPRODUCTION EXPENSES INCURRED IN PENNSYLVANIA.

3 (6) THE USE OF STUDIO RESOURCES[.], IF THE RESOURCES ARE
4 PERMANENTLY LOCATED IN AND OWNED BY THE TAXPAYERS OF THIS
5 COMMONWEALTH.

6 (7) IF THE APPLICATION INCLUDES A QUALIFIED
7 POSTPRODUCTION EXPENSE:

8 (I) THE QUALIFIED POSTPRODUCTION FACILITY WHERE THE
9 ACTIVITY WILL OCCUR.

10 (II) THE ANTICIPATED TYPE OF POSTPRODUCTION ACTIVITY
11 THAT WILL BE CONDUCTED.

12 (7.1) IF A MULTIFILM PRODUCTION APPLICATION IS
13 SUBMITTED, THE DEPARTMENT SHALL CONSIDER THE ABILITY OF THE
14 TAXPAYER TO PRODUCE MULTIPLE FILMS WITHIN THIS COMMONWEALTH
15 DURING THE PROPOSED PERIOD OF PRODUCTION AND THE POTENTIAL
16 ECONOMIC IMPACT, INCLUDING TOURISM IMPACT, OF THE MULTIPLE
17 FILMS TO THIS COMMONWEALTH. THE TAXPAYER MAY SUPPLEMENT THE
18 MULTIFILM PRODUCTION APPLICATION WITH ADDITIONAL FILMS DURING
19 THE PERIOD OF PRODUCTION. THE DEPARTMENT MAY ANNUALLY EXTEND
20 THE MULTIFILM PRODUCTION APPLICATION'S PERIOD OF PRODUCTION
21 BEFORE THE EXPIRATION OF THE PERIOD OF PRODUCTION. THE
22 TAXPAYER MAY NOT INCLUDE A FILM IN THE MULTIFILM PRODUCTION
23 APPLICATION THAT WAS THE SUBJECT OF AN APPLICATION SUBMITTED
24 UNDER THIS SUBSECTION BEFORE JANUARY 1, 2022.

25 (7.2) THE FILM WILL BE PRODUCED BY A PENNSYLVANIA FILM
26 PRODUCER.

27 (7.3) THE TAXPAYER APPLYING FOR CREDITS IS A
28 PENNSYLVANIA FILM PRODUCER.

29 (7.4) THE TAXPAYER APPLYING FOR CREDITS IS A MINORITY-
30 OWNED BUSINESS OR WOMEN-OWNED BUSINESS, AS THOSE TERMS ARE

1 DEFINED IN 74 PA.C.S. § 303(B) (RELATING TO DIVERSE BUSINESS
2 PARTICIPATION).

3 (8) OTHER CRITERIA THAT THE DIRECTOR OF THE PENNSYLVANIA
4 FILM OFFICE DEEMS APPROPRIATE TO ENSURE THE GROWTH AND
5 PROSPERITY OF THE LOCAL PENNSYLVANIA FILM INDUSTRY AND
6 PENNSYLVANIA FILM PRODUCERS OR YIELD MAXIMUM EMPLOYMENT AND
7 BENEFIT WITHIN THIS COMMONWEALTH.

8 UPON DETERMINING THE TAXPAYER HAS INCURRED OR WILL INCUR
9 QUALIFIED FILM PRODUCTION EXPENSES, THE DEPARTMENT MAY APPROVE
10 THE TAXPAYER FOR A TAX CREDIT. APPLICATIONS NOT APPROVED MAY BE
11 REVIEWED AND CONSIDERED IN SUBSEQUENT APPLICATION PERIODS. THE
12 DEPARTMENT MAY APPROVE A TAXPAYER FOR A TAX CREDIT BASED ON ITS
13 EVALUATION OF THE CRITERIA UNDER THIS SUBSECTION.

14 * * *

15 SECTION 11. SECTION 1714-D(F) (2) OF THE ACT IS AMENDED TO
16 READ:

17 SECTION 1714-D. CARRYOVER, CARRYBACK AND ASSIGNMENT OF CREDIT.

18 * * *

19 (F) PURCHASERS AND ASSIGNEES.--EXCEPT AS PROVIDED IN
20 SUBSECTIONS (G) AND (H), THE FOLLOWING APPLY:

21 * * *

22 (2) THE AMOUNT OF THE TAX CREDIT THAT A PURCHASER OR
23 ASSIGNEE MAY USE AGAINST ANY ONE QUALIFIED TAX LIABILITY MAY
24 NOT EXCEED [50%] 75% OF SUCH QUALIFIED TAX LIABILITY FOR THE
25 TAXABLE YEAR.

26 * * *

27 SECTION 11.1. SECTION 1716-D(A), (B), (E) AND (F) OF THE
28 ACT, AMENDED OR ADDED JULY 8, 2022 (P.L.513, NO.53), ARE AMENDED
29 TO READ:

30 SECTION 1716-D. LIMITATIONS.

1 (A) CAP.--EXCEPT FOR TAX CREDITS REISSUED UNDER SECTION
2 1716.1-D, IN NO CASE SHALL THE AGGREGATE AMOUNT OF TAX CREDITS
3 AWARDED IN ANY FISCAL YEAR UNDER THIS SUBARTICLE EXCEED
4 [~~\$100,000,000~~] \$150,000,000. THE DEPARTMENT MAY, IN ITS
5 DISCRETION, AWARD IN ONE FISCAL YEAR UP TO:

6 (1) THIRTY PERCENT OF THE DOLLAR AMOUNT OF FILM
7 PRODUCTION TAX CREDITS AVAILABLE TO BE AWARDED IN THE NEXT
8 SUCCEEDING FISCAL YEAR.

9 (2) TWENTY PERCENT OF THE DOLLAR AMOUNT OF FILM
10 PRODUCTION TAX CREDITS AVAILABLE TO BE AWARDED IN THE SECOND
11 SUCCESSIVE FISCAL YEAR.

12 (3) TEN PERCENT OF THE DOLLAR AMOUNT OF FILM PRODUCTION
13 TAX CREDITS AVAILABLE TO BE AWARDED IN THE THIRD SUCCESSIVE
14 FISCAL YEAR.

15 * * *

16 (B) INDIVIDUAL LIMITATIONS.--THE FOLLOWING SHALL APPLY:

17 (1) EXCEPT AS SET FORTH IN PARAGRAPH (1.1) [~~OR (1.2)~~],
18 (1.2), (1.3) OR (1.4), THE AGGREGATE AMOUNT OF FILM
19 PRODUCTION TAX CREDITS AWARDED BY THE DEPARTMENT UNDER
20 SECTION 1712-D(D) TO A TAXPAYER FOR A FILM MAY NOT EXCEED 25%
21 OF THE QUALIFIED FILM PRODUCTION EXPENSES TO BE INCURRED.

22 (1.1) IN ADDITION TO THE TAX CREDIT UNDER PARAGRAPH (1),
23 A TAXPAYER IS ELIGIBLE FOR A CREDIT IN THE AMOUNT OF 5% OF
24 THE QUALIFIED FILM PRODUCTION EXPENSES INCURRED BY THE
25 TAXPAYER IF THE TAXPAYER:

26 (I) FILMS A FEATURE FILM, TELEVISION FILM OR
27 TELEVISION SERIES, WHICH IS INTENDED AS PROGRAMMING FOR A
28 NATIONAL AUDIENCE; AND

29 (II) FILMS IN A QUALIFIED PRODUCTION FACILITY WHICH
30 MEETS THE MINIMUM STAGE FILMING REQUIREMENTS.

1 (1.2) A QUALIFIED POSTPRODUCTION EXPENSE SHALL QUALIFY
2 FOR A 30% CREDIT.

3 (1.3) IN ADDITION TO THE TAX CREDIT UNDER PARAGRAPH (1),
4 A TAXPAYER IS ELIGIBLE FOR A CREDIT IN THE AMOUNT OF 5% OF
5 THE QUALIFIED FILM PRODUCTION EXPENSES INCURRED BY THE
6 TAXPAYER, WHICH IN THE AGGREGATE WOULD QUALIFY FOR A 30%
7 CREDIT, IF THE TAXPAYER:

8 (I) FILMS A FEATURE FILM, TELEVISION FILM,
9 TELEVISION SERIES OR OTHER VISUAL MEDIA, WHICH IS
10 INTENDED AS PROGRAMMING FOR A NATIONAL AUDIENCE; AND

11 (II) IS A MINORITY-OWNED BUSINESS OR WOMEN-OWNED
12 BUSINESS AS THOSE TERMS ARE DEFINED IN 74 PA.C.S. §
13 303(B) (RELATING TO DIVERSE BUSINESS PARTICIPATION).

14 (1.4) IN ADDITION TO THE TAX CREDIT UNDER PARAGRAPHS (1)
15 AND (1.1), A TAXPAYER IS ELIGIBLE FOR A CREDIT IN THE AMOUNT
16 OF 5% OF THE QUALIFIED FILM PRODUCTION EXPENSES INCURRED BY
17 THE TAXPAYER, WHICH IN THE AGGREGATE SHALL NOT EXCEED 35% OF
18 THE QUALIFIED FILM PRODUCTION EXPENSES INCURRED BY THE
19 TAXPAYER, IF THE TAXPAYER FILMS A FEATURE FILM, TELEVISION
20 FILM OR TELEVISION SERIES, WHICH IS INTENDED AS PROGRAMMING
21 FOR A NATIONAL AUDIENCE, IN A QUALIFIED LOCATION IN THIS
22 COMMONWEALTH.

23 (2) A TAXPAYER THAT HAS RECEIVED A GRANT UNDER 12
24 PA.C.S. § 4106 (RELATING TO APPROVAL) SHALL NOT BE ELIGIBLE
25 FOR A FILM PRODUCTION TAX CREDIT UNDER THIS ACT FOR THE SAME
26 FILM.

27 * * *

28 (E) PENNSYLVANIA FILM PRODUCER RESERVE.--THE DEPARTMENT
29 SHALL ANNUALLY RESERVE AND ALLOCATE [**\$5,000,000**] 10% OF THE TAX
30 CREDITS AUTHORIZED UNDER THIS SUBARTICLE IN SUPPORT OF PROJECTS

PRODUCED BY A PENNSYLVANIA FILM PRODUCER. A PENNSYLVANIA FILM
PRODUCER SHALL NOT BE LIMITED IN ELIGIBILITY FOR A TAX CREDIT
SOLELY TO THE PENNSYLVANIA FILM PRODUCER RESERVE IN ANY FISCAL
YEAR. THE FOLLOWING APPLY:

(1) NOT MORE THAN 10% OF THE TOTAL AMOUNT OF TAX CREDITS
AUTHORIZED BY THIS SUBSECTION SHALL BE ALLOCATED TO ANY
SINGLE TAX CREDIT APPLICANT.

(2) NOT MORE THAN 50% OF THE TOTAL AMOUNT OF TAX CREDITS
AUTHORIZED BY THIS SUBSECTION SHALL BE ALLOCATED TO FILM
PROJECTS WITH PRODUCTION EXPENSES IN EXCESS OF \$500,000.

(3) A FILM PROJECT THAT QUALIFIES UNDER THIS SUBSECTION
NEED ONLY DOCUMENT THAT 60% OF THE FINANCING FOR THE FILM
PROJECT HAS BEEN SECURED PRIOR TO BEING CONSIDERED FOR A TAX
CREDIT UNDER THIS SUBARTICLE, WITH THE REMAINING 40% OF THE
FINANCING TO BE SECURED BY THE FILM PROJECT PRIOR TO THE
PLANNED START DATE OF THE PRINCIPAL PHOTOGRAPHY IN THIS
COMMONWEALTH.

(4) BEFORE AWARDING A TAX CREDIT UNDER THIS SUBARTICLE,
ADDITIONAL CONSIDERATION SHALL BE GIVEN TO THE FOLLOWING:

(I) WHETHER PENNSYLVANIA PRODUCTION EXPENSES OF THE
FILM PROJECT COMPRISE AT LEAST 60% OF THE TOTAL
PRODUCTION EXPENSES.

(II) WHETHER THE TAX CREDIT APPLICANT IS A MINORITY
BUSINESS ENTERPRISE, AS DEFINED IN 18 PA.C.S. § 4107.2(B)
(RELATING TO DECEPTION RELATING TO CERTIFICATION OF
MINORITY BUSINESS ENTERPRISE OR WOMEN'S BUSINESS
ENTERPRISE).

(III) WHETHER THE TAX CREDIT APPLICANT IS A WOMEN'S
BUSINESS ENTERPRISE, AS DEFINED IN 18 PA.C.S. §
4107.2(B).

(F) IF THE TOTAL AMOUNT OF TAX CREDITS RESERVED AND
ALLOCATED UNDER SUBSECTION (E) IS NOT FULLY AWARDED [IN] THREE
MONTHS PRIOR TO THE END OF A FISCAL YEAR, THE AMOUNT NOT AWARDED
SHALL BE MADE AVAILABLE FOR USE BY TAXPAYERS WHO ARE NOT
PENNSYLVANIA FILM PRODUCERS.

SECTION 11.2. ARTICLE XVII-L OF THE ACT IS AMENDED BY ADDING
A SUBARTICLE TO READ:

SUBARTICLE G

BIOTECHNOLOGY

SECTION 1799.11-L. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE
SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
CONTEXT CLEARLY INDICATES OTHERWISE:

"BIOTECHNOLOGY." THE USE OF BIOLOGY TO DEVELOP NEW PRODUCTS,
METHODS AND ORGANISMS INTENDED TO IMPROVE HUMAN HEALTH AND
SOCIETY.

"PROJECT FACILITY." A FACILITY LOCATED IN THIS COMMONWEALTH
WHICH IS OWNED AND OPERATED BY A QUALIFIED TAXPAYER WHICH
ENGAGES IN BIOTECHNOLOGY RESEARCH AND THE COMMERCIALIZATION OF
APPLIED RESEARCH WITHIN THIS COMMONWEALTH.

"QUALIFIED TAXPAYER." A COMPANY THAT MEETS ALL OF THE
FOLLOWING CRITERIA:

(1) USES BIOTECHNOLOGY IN THIS COMMONWEALTH AT A PROJECT
FACILITY IN THIS COMMONWEALTH THAT HAS BEEN PLACED IN SERVICE
ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION.

(2) MAKES A CAPITAL INVESTMENT OF AT LEAST \$500,000,000
IN ORDER TO CONSTRUCT THE PROJECT FACILITY AND PLACE THE
PROJECT FACILITY INTO SERVICE IN THIS COMMONWEALTH.

(3) CREATES A MINIMUM AGGREGATE TOTAL OF 250 NEW JOBS
AND PERMANENT JOBS.

1 (4) MAKES GOOD FAITH EFFORTS TO RECRUIT AND EMPLOY, AND
2 TO ENCOURAGE ANY CONTRACTOR OR SUBCONTRACTOR TO RECRUIT AND
3 EMPLOY, WORKERS FROM THE LOCAL LABOR MARKET FOR EMPLOYMENT
4 DURING THE CONSTRUCTION OF THE PROJECT FACILITY.

5 (5) DEMONSTRATES THAT THE NEW JOBS CREATED AT THE
6 PROJECT FACILITY OR FOR WORK COVERED BY SUBARTICLE F ARE PAID
7 AT LEAST THE PREVAILING MINIMUM WAGE AND BENEFIT RATES FOR
8 EACH CRAFT OR CLASSIFICATION AS DETERMINED BY THE DEPARTMENT
9 OF LABOR AND INDUSTRY.

10 (6) PERFORMS THE CONSTRUCTION WORK TO PLACE THE PROJECT
11 FACILITY INTO SERVICE IN ACCORDANCE WITH THE ACT OF MARCH 3,
12 1978 (P.L.6, NO.3), KNOWN AS THE STEEL PRODUCTS PROCUREMENT
13 ACT.

14 SECTION 1799.12-L. ELIGIBILITY.

15 IN ORDER TO BE ELIGIBLE TO RECEIVE A TAX CREDIT, A COMPANY
16 SHALL DEMONSTRATE THE FOLLOWING:

17 (1) THE COMPANY MEETS THE REQUIREMENTS OF A QUALIFIED
18 TAXPAYER.

19 (2) A CONFIRMATION THAT THE COMPANY HAS FILED ALL
20 REQUIRED STATE TAX REPORTS AND RETURNS FOR ALL APPLICABLE
21 TAXABLE YEARS AND PAID ANY BALANCE OF STATE TAX DUE AS
22 DETERMINED BY ASSESSMENT OR DETERMINATION BY THE DEPARTMENT
23 AND NOT UNDER TIMELY APPEAL.

24 SECTION 1799.13-L. APPLICATION AND APPROVAL OF TAX CREDIT.

25 (A) (RESERVED).

26 (B) APPLICATION.--

27 (1) A QUALIFIED TAXPAYER MAY APPLY TO THE DEPARTMENT FOR
28 A TAX CREDIT UNDER THIS SECTION.

29 (2) THE APPLICATION MUST BE SUBMITTED TO THE DEPARTMENT
30 BY MARCH 1 FOR THE TAX CREDIT CLAIMED BY THE QUALIFIED

1 TAXPAYER AT THE PROJECT FACILITY DURING THE PRIOR CALENDAR
2 YEAR.

3 (3) THE APPLICATION MUST BE ON THE FORM REQUIRED BY THE
4 DEPARTMENT, WHICH SHALL INCLUDE ALL OF THE FOLLOWING:

5 (I) INFORMATION REQUIRED BY THE DEPARTMENT TO VERIFY
6 THAT THE APPLICANT IS A QUALIFIED TAXPAYER.

7 (II) ANY OTHER INFORMATION AS THE DEPARTMENT DEEMS
8 APPROPRIATE.

9 (C) REVIEW AND APPROVAL.--

10 (1) THE DEPARTMENT SHALL REVIEW THE APPLICATIONS AND
11 ISSUE AN APPROVAL OR DISAPPROVAL BY MAY 1.

12 (2) UPON APPROVAL, THE DEPARTMENT SHALL ISSUE A
13 CERTIFICATE STATING THE AMOUNT OF TAX CREDIT GRANTED FOR
14 BIOTECHNOLOGY AT THE PROJECT FACILITY IN THE PRIOR CALENDAR
15 YEAR.

16 (D) AVAILABILITY OF TAX CREDITS.--

17 (1) EACH FISCAL YEAR, \$15,000,000 IN TAX CREDITS SHALL
18 BE MADE AVAILABLE TO THE DEPARTMENT IN ACCORDANCE WITH THIS
19 SUBARTICLE.

20 (2) THE DEPARTMENT MAY ISSUE UP TO \$5,000,000 IN TAX
21 CREDITS TO EACH QUALIFIED TAXPAYER WHICH MEETS THE
22 QUALIFICATIONS TO RECEIVE A TAX CREDIT UNDER THIS SUBARTICLE.

23 (3) AN AMOUNT UNDER PARAGRAPH (1) WHICH REMAINS
24 UNALLOCATED UNDER PARAGRAPH (2) SHALL BE ISSUED TO THE
25 QUALIFIED TAXPAYER WHICH NEXT MEETS THE QUALIFICATIONS TO
26 RECEIVE A TAX CREDIT UNDER THIS SUBARTICLE.

27 (4) THE TOTAL AGGREGATE AMOUNT OF TAX CREDITS AWARDED TO
28 A QUALIFIED TAXPAYER UNDER THIS SUBARTICLE MAY NOT EXCEED 25%
29 OF THE CAPITAL INVESTMENT MADE TO CONSTRUCT A PROJECT
30 FACILITY AND PLACE THE PROJECT FACILITY INTO SERVICE IN THIS

1 COMMONWEALTH.

2 SECTION 1799.14-L. USE OF TAX CREDITS.

3 (A) INITIAL USE.--PRIOR TO SALE OR ASSIGNMENT OF A TAX
4 CREDIT UNDER SECTION 1799.16-L, A QUALIFIED TAXPAYER MUST FIRST
5 USE A TAX CREDIT AGAINST THE QUALIFIED TAX LIABILITY INCURRED IN
6 THE TAXABLE YEAR FOR WHICH THE TAX CREDIT WAS APPROVED.

7 (B) ELIGIBILITY.--THE TAX CREDIT MAY BE APPLIED AGAINST UP
8 TO 20% OF A QUALIFIED TAXPAYER'S QUALIFIED TAX LIABILITIES
9 INCURRED IN THE TAXABLE YEAR FOR WHICH THE TAX CREDIT WAS
10 APPROVED.

11 (C) LIMIT.--A QUALIFIED TAXPAYER THAT HAS BEEN GRANTED A TAX
12 CREDIT UNDER THIS SUBARTICLE SHALL BE INELIGIBLE FOR ANY OTHER
13 TAX CREDIT PROVIDED UNDER THIS ACT OR A TAX BENEFIT AS DEFINED
14 IN SECTION 1701-A.1.

15 SECTION 1799.15-L. CARRYOVER, CARRYBACK AND REFUND.

16 A TAX CREDIT CANNOT BE CARRIED BACK, CARRIED FORWARD OR BE
17 USED TO OBTAIN A REFUND.

18 SECTION 1799.16-L. SALE OR ASSIGNMENT.

19 (A) AUTHORIZATION.--IF THE QUALIFIED TAXPAYER HOLDS A TAX
20 CREDIT THROUGH THE END OF THE CALENDAR YEAR IN WHICH THE TAX
21 CREDIT WAS GRANTED, THE QUALIFIED TAXPAYER MAY SELL OR ASSIGN A
22 TAX CREDIT, IN WHOLE OR IN PART, PROVIDED THE SALE IS EFFECTIVE
23 BY THE CLOSE OF THE FOLLOWING CALENDAR YEAR.

24 (B) APPLICATION.--

25 (1) TO SELL OR ASSIGN A TAX CREDIT, A QUALIFIED TAXPAYER
26 MUST FILE AN APPLICATION FOR THE SALE OR ASSIGNMENT OF THE
27 TAX CREDIT WITH THE DEPARTMENT. THE APPLICATION MUST BE ON A
28 FORM REQUIRED BY THE DEPARTMENT.

29 (2) IN ORDER TO APPROVE AN APPLICATION, THE DEPARTMENT
30 SHALL RECEIVE ALL OF THE FOLLOWING:

1 (I) A FINDING FROM THE DEPARTMENT THAT THE APPLICANT
2 HAS:

3 (A) FILED ALL REQUIRED STATE TAX REPORTS AND
4 RETURNS FOR ALL APPLICABLE TAXABLE YEARS; AND

5 (B) PAID ANY BALANCE OF STATE TAX DUE AS
6 DETERMINED BY ASSESSMENT OR DETERMINATION BY THE
7 DEPARTMENT AND NOT UNDER TIMELY APPEAL.

8 (II) FOR A SALE OR ASSIGNMENT TO A COMPANY THAT IS
9 NOT AN UPSTREAM COMPANY OR DOWNSTREAM COMPANY, A
10 CERTIFICATION FROM THE QUALIFIED TAXPAYER THAT THE
11 QUALIFIED TAXPAYER HAS OFFERED TO SELL OR ASSIGN THE TAX
12 CREDIT:

13 (A) EXCLUSIVELY TO A DOWNSTREAM COMPANY FOR A
14 PERIOD OF 30 DAYS FOLLOWING APPROVAL OF THE TAX
15 CREDIT UNDER SECTION 1799.13-L(C); AND

16 (B) TO AN UPSTREAM COMPANY OR DOWNSTREAM COMPANY
17 FOR A PERIOD OF 30 DAYS FOLLOWING EXPIRATION OF THE
18 PERIOD UNDER CLAUSE (A).

19 (C) APPROVAL.--UPON APPROVAL BY THE DEPARTMENT, A QUALIFIED
20 TAXPAYER MAY SELL OR ASSIGN, IN WHOLE OR IN PART, A TAX CREDIT.
21 SECTION 1799.17-L. PURCHASERS AND ASSIGNEES.

22 (A) TIME.--THE PURCHASER OR ASSIGNEE UNDER SECTION 1799.16-L
23 MUST CLAIM THE TAX CREDIT IN THE CALENDAR YEAR IN WHICH THE
24 PURCHASE OR ASSIGNMENT IS MADE.

25 (B) AMOUNT.--THE AMOUNT OF THE TAX CREDIT THAT A PURCHASER
26 OR ASSIGNEE UNDER SECTION 1799.16-L MAY USE AGAINST ANY ONE
27 QUALIFIED TAX LIABILITY MAY NOT EXCEED 50% OF ANY OF THE
28 QUALIFIED TAX LIABILITIES OF THE PURCHASER OR ASSIGNEE FOR THE
29 TAXABLE YEAR.

30 (C) RESALE AND ASSIGNMENT.--

1 (1) A PURCHASER UNDER SECTION 1799.16-L MAY NOT SELL OR
2 ASSIGN THE PURCHASED TAX CREDIT.

3 (2) AN ASSIGNEE UNDER SECTION 1799.16-L MAY NOT SELL OR
4 ASSIGN THE ASSIGNED TAX CREDIT.

5 (D) NOTICE.--THE PURCHASER OR ASSIGNEE UNDER SECTION
6 1799.16-L SHALL NOTIFY THE DEPARTMENT OF THE SELLER OR ASSIGNOR
7 OF THE TAX CREDIT IN COMPLIANCE WITH PROCEDURES SPECIFIED BY THE
8 DEPARTMENT.

9 SECTION 1799.18-L. PASS-THROUGH ENTITY.

10 (A) ELECTION.--IF A PASS-THROUGH ENTITY HAS AN UNUSED TAX
11 CREDIT, THE PASS-THROUGH ENTITY MAY ELECT, IN WRITING, ACCORDING
12 TO PROCEDURES ESTABLISHED BY THE DEPARTMENT, TO TRANSFER ALL OR
13 A PORTION OF THE TAX CREDIT TO SHAREHOLDERS, MEMBERS OR PARTNERS
14 IN PROPORTION TO THE SHARE OF THE ENTITY'S DISTRIBUTIVE INCOME
15 TO WHICH THE SHAREHOLDERS, MEMBERS OR PARTNERS ARE ENTITLED.

16 (B) LIMITATION.--THE SAME UNUSED TAX CREDIT UNDER SUBSECTION
17 (A) MAY NOT BE CLAIMED BY:

18 (1) THE PASS-THROUGH ENTITY; AND

19 (2) A SHAREHOLDER, MEMBER OR PARTNER OF THE PASS-THROUGH
20 ENTITY.

21 (C) AMOUNT.--THE AMOUNT OF THE TAX CREDIT THAT A TRANSFEREE
22 UNDER SUBSECTION (A) MAY USE AGAINST ANY ONE QUALIFIED TAX
23 LIABILITY MAY NOT EXCEED 20% OF ANY QUALIFIED TAX LIABILITIES
24 FOR THE TAXABLE YEAR.

25 (D) TIME.--A TRANSFEREE UNDER SUBSECTION (A) MUST CLAIM THE
26 TAX CREDIT IN THE CALENDAR YEAR IN WHICH THE TRANSFER IS MADE.

27 (E) SALE AND ASSIGNMENT.--A TRANSFEREE UNDER SUBSECTION (A)
28 MAY NOT SELL OR ASSIGN THE TAX CREDIT.

29 SECTION 1799.19-L. (RESERVED).

30 SECTION 1799.20-L. GUIDELINES AND REGULATIONS.

1 THE DEPARTMENT SHALL DEVELOP WRITTEN GUIDELINES FOR THE
2 IMPLEMENTATION OF THIS SUBARTICLE. THE GUIDELINES SHALL BE IN
3 EFFECT UNTIL THE DEPARTMENT PROMULGATES REGULATIONS FOR THE
4 IMPLEMENTATION OF THE PROVISIONS OF THIS SUBARTICLE.
5 SECTION 1799.21-L. REPORT TO GENERAL ASSEMBLY.

6 (A) REPORT.--

7 (1) NO LATER THAN THE YEAR AFTER WHICH TAX CREDITS ARE
8 FIRST AWARDED UNDER THIS SUBARTICLE, AND EACH OCTOBER 1
9 THEREAFTER, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE
10 GENERAL ASSEMBLY SUMMARIZING THE EFFECTIVENESS OF THE TAX
11 CREDIT. THE REPORT SHALL INCLUDE THE NAMES OF ALL QUALIFIED
12 TAXPAYERS UTILIZING THE TAX CREDIT AS OF THE DATE OF THE
13 REPORT AND THE AMOUNT OF TAX CREDITS APPROVED FOR, UTILIZED
14 BY OR SOLD OR ASSIGNED BY EACH QUALIFIED TAXPAYER. THE REPORT
15 SHALL BE SUBMITTED TO THE FOLLOWING:

16 (I) THE CHAIR AND MINORITY CHAIR OF THE HEALTH AND
17 HUMAN SERVICES COMMITTEE OF THE SENATE.

18 (II) THE CHAIR AND MINORITY CHAIR OF THE HEALTH
19 COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

20 (III) THE CHAIR AND MINORITY CHAIR OF THE FINANCE
21 COMMITTEE OF THE SENATE.

22 (IV) THE CHAIR AND MINORITY CHAIR OF THE FINANCE
23 COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

24 (2) IN ADDITION TO THE INFORMATION REQUIRED UNDER
25 PARAGRAPH (1), THE REPORT SHALL INCLUDE THE FOLLOWING
26 INFORMATION IN A MANNER THAT IS SEPARATED BY GEOGRAPHIC
27 LOCATION WITHIN THIS COMMONWEALTH:

28 (I) THE AMOUNT OF TAX CREDITS CLAIMED BY QUALIFIED
29 TAXPAYERS DURING THE FISCAL YEAR.

30 (II) THE TOTAL NUMBER OF NEW JOBS AND PERMANENT JOBS

1 CREATED BY QUALIFIED TAXPAYERS DURING THE FISCAL YEAR,
2 INCLUDING THE DURATION OF THE JOBS.

3 (B) PUBLIC INFORMATION.--NOTWITHSTANDING ANY LAW PROVIDING
4 FOR THE CONFIDENTIALITY OF TAX RECORDS, THE INFORMATION IN THE
5 REPORT UNDER SUBSECTION (A) SHALL BE PUBLIC INFORMATION, AND ALL
6 REPORT INFORMATION SHALL BE POSTED ON THE DEPARTMENT'S PUBLICLY
7 ACCESSIBLE INTERNET WEBSITE.

8 SECTION 1799.22-L. APPLICABILITY.

9 (A) DURATION.--THE TAX CREDIT UNDER THIS SUBARTICLE SHALL
10 APPLY TO THE USE OF BIOTECHNOLOGY FOR A PERIOD OF EIGHT YEARS
11 FROM THE DATE THE FIRST PROJECT FACILITY IS PLACED INTO SERVICE.

12 (B) LIMITATION.--THE TOTAL AGGREGATE AMOUNT OF TAX CREDITS
13 AWARDED BY THE DEPARTMENT UNDER THIS SUBARTICLE MAY NOT EXCEED
14 \$120,000,000.

15 SECTION 12. SECTIONS 1904-A(C) AND 1905-A(A) OF THE ACT ARE
16 AMENDED TO READ:

17 SECTION 1904-A. TAX CREDIT.--* * *

18 (C) THE TOTAL AMOUNT OF TAX CREDIT GRANTED FOR PROGRAMS
19 APPROVED UNDER THIS ACT SHALL NOT EXCEED [THIRTY-SIX MILLION
20 DOLLARS (\$36,000,000)] FIFTY-FOUR MILLION DOLLARS (\$54,000,000)
21 OF TAX CREDIT IN ANY FISCAL YEAR.

22 * * *

23 SECTION 1905-A. GRANT OF TAX CREDIT.--(A) THE DEPARTMENT OF
24 REVENUE SHALL GRANT A TAX CREDIT AGAINST ANY TAX DUE UNDER
25 ARTICLE III, IV, VI, VII, VIII, IX OR XV OF THIS ACT, OR ANY TAX
26 SUBSTITUTED IN LIEU THEREOF IN AN AMOUNT WHICH SHALL NOT EXCEED
27 [FIFTY-FIVE] SIXTY-FIVE PER CENT OF THE TOTAL AMOUNT CONTRIBUTED
28 DURING THE TAXABLE YEAR BY A BUSINESS FIRM OR TWENTY-FIVE PER
29 CENT OF QUALIFIED INVESTMENTS BY A PRIVATE COMPANY IN PROGRAMS
30 APPROVED PURSUANT TO SECTION 1904-A OF THIS ACT: PROVIDED, THAT

1 A TAX CREDIT OF UP TO [~~SEVENTY-FIVE~~] NINETY PER CENT OF THE
2 TOTAL AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY A BUSINESS
3 FIRM OR UP TO THIRTY-FIVE PER CENT OF THE AMOUNT OF QUALIFIED
4 INVESTMENTS BY A PRIVATE COMPANY MAY BE ALLOWED FOR INVESTMENT
5 IN PROGRAMS WHERE ACTIVITIES FALL WITHIN THE SCOPE OF SPECIAL
6 PROGRAM PRIORITIES AS DEFINED WITH THE APPROVAL OF THE GOVERNOR
7 IN REGULATIONS PROMULGATED BY THE SECRETARY, AND PROVIDED
8 FURTHER, THAT A TAX CREDIT OF UP TO [~~SEVENTY-FIVE~~] NINETY PER
9 CENT OF THE TOTAL AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY
10 A BUSINESS FIRM IN COMPREHENSIVE SERVICE PROJECTS WITH FIVE-YEAR
11 COMMITMENTS AND UP TO [~~EIGHTY~~] NINETY-FIVE PER CENT OF THE TOTAL
12 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY A BUSINESS FIRM IN
13 COMPREHENSIVE SERVICE PROJECTS WITH SIX-YEAR OR LONGER
14 COMMITMENTS SHALL BE GRANTED, AND PROVIDED FURTHER, THAT A TAX
15 CREDIT OF UP TO [~~SEVENTY-FIVE~~] NINETY PER CENT OF THE TOTAL
16 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY A BUSINESS FIRM IN
17 VETERANS' HOUSING ASSISTANCE APPROVED UNDER SECTION 1904-A(B.3)
18 SHALL BE GRANTED. SUCH CREDIT SHALL NOT EXCEED [~~FIVE HUNDRED~~
19 ~~THOUSAND DOLLARS (\$500,000)~~] ONE MILLION DOLLARS (\$1,000,000)
20 ANNUALLY FOR CONTRIBUTIONS OR INVESTMENTS TO FEWER THAN FOUR
21 PROJECTS OR [~~ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS~~
22 ~~(\$1,250,000)~~] TWO MILLION FIVE HUNDRED THOUSAND DOLLARS
23 (\$2,500,000) ANNUALLY FOR CONTRIBUTIONS OR INVESTMENTS TO FOUR
24 OR MORE PROJECTS. NO TAX CREDIT SHALL BE GRANTED TO ANY BANK,
25 BANK AND TRUST COMPANY, INSURANCE COMPANY, TRUST COMPANY,
26 NATIONAL BANK, SAVINGS ASSOCIATION, MUTUAL SAVINGS BANK OR
27 BUILDING AND LOAN ASSOCIATION FOR ACTIVITIES THAT ARE A PART OF
28 ITS NORMAL COURSE OF BUSINESS. ANY TAX CREDIT NOT USED IN THE
29 PERIOD THE CONTRIBUTION OR INVESTMENT WAS MADE MAY BE CARRIED
30 OVER FOR THE NEXT FIVE SUCCEEDING CALENDAR OR FISCAL YEARS UNTIL

1 THE FULL CREDIT HAS BEEN ALLOWED. A BUSINESS FIRM SHALL NOT BE
2 ENTITLED TO CARRY BACK OR OBTAIN A REFUND OF AN UNUSED TAX
3 CREDIT. THE TOTAL AMOUNT OF ALL TAX CREDITS ALLOWED PURSUANT TO
4 THIS ACT SHALL NOT EXCEED [~~THIRTY-SIX MILLION DOLLARS~~
5 ~~(\$36,000,000)] FIFTY-FOUR MILLION DOLLARS (\$54,000,000) IN ANY~~
6 ONE FISCAL YEAR. OF THAT AMOUNT, TWO MILLION DOLLARS
7 (\$2,000,000) SHALL BE ALLOCATED EXCLUSIVELY FOR PASS-THROUGH
8 ENTITIES. HOWEVER, IF THE TOTAL AMOUNTS ALLOCATED TO EITHER THE
9 GROUP OF APPLICANTS, EXCLUSIVE OF PASS-THROUGH ENTITIES, OR THE
10 GROUP OF PASS-THROUGH ENTITY APPLICANTS IS NOT APPROVED IN ANY
11 FISCAL YEAR, THE UNUSED PORTION SHALL BECOME AVAILABLE FOR USE
12 BY THE OTHER GROUP OF QUALIFYING TAXPAYERS.

13 * * *

14 SECTION 12.1. THE ACT IS AMENDED BY ADDING AN ARTICLE TO
15 READ:

16 ARTICLE XIX-B.1

17 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONES

18 SECTION 1901-B.1. SCOPE OF ARTICLE.

19 THIS ARTICLE RELATES TO EXPANDED NEIGHBORHOOD IMPROVEMENT
20 ZONES.

21 SECTION 1902-B.1. DEFINITIONS.

22 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
23 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
24 CONTEXT CLEARLY INDICATES OTHERWISE:

25 "AFFORDABLE HOUSING." AS FOLLOWS:

26 (1) HOUSING IN WHICH THE OCCUPANT IS PAYING NO MORE THAN
27 30% OF GROSS INCOME FOR HOUSING COSTS, INCLUDING UTILITIES.

28 (2) AFFORDABLE HOUSING UNITS MUST COMPRISE AT LEAST 30%
29 OF THE UNITS IN AN AFFORDABLE HOUSING BUILDING.

30 "BONDS." INCLUDES NOTES, INSTRUMENTS, REFUNDING NOTES AND

1 BONDS AND OTHER EVIDENCES OF INDEBTEDNESS OR OBLIGATIONS.

2 "CAPITAL FACILITIES DEBT ENABLING ACT." THE ACT OF FEBRUARY
3 9, 1999 (P.L.1, NO.1), KNOWN AS THE CAPITAL FACILITIES DEBT
4 ENABLING ACT.

5 "CITY." A CITY WITH A POPULATION OF BETWEEN 94,000 AND
6 95,000, BASED ON THE 2020 FEDERAL DECENNIAL CENSUS, LOCATED IN A
7 COUNTY OF THE THIRD CLASS WHICH IS NOT A HOME RULE COUNTY.

8 "CONTRACTING AUTHORITY." AN AUTHORITY CREATED UNDER 53
9 PA.C.S. CH. 56 (RELATING TO MUNICIPAL AUTHORITIES) FOR THE
10 PURPOSE OF DESIGNATING AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE
11 AND CONSTRUCTING A FACILITY OR OTHER AUTHORITY CREATED UNDER THE
12 LAWS OF THIS COMMONWEALTH WHICH IS ELIGIBLE TO APPLY FOR AND
13 RECEIVE REDEVELOPMENT ASSISTANCE CAPITAL GRANTS UNDER CHAPTER 3
14 OF THE CAPITAL FACILITIES DEBT ENABLING ACT.

15 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

16 "EARNED INCOME TAX." A TAX OR PORTION OF A TAX IMPOSED ON
17 EARNED INCOME WITHIN AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE
18 UNDER THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511), KNOWN AS
19 THE LOCAL TAX ENABLING ACT, WHICH A CITY, OR A SCHOOL DISTRICT
20 CONTAINED ENTIRELY WITHIN THE BOUNDARIES OF OR COTERMINOUS WITH
21 THE CITY, IS ENTITLED TO RECEIVE.

22 "EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE." AN EXPANDED
23 NEIGHBORHOOD IMPROVEMENT ZONE DESIGNATED BY THE CONTRACTING
24 AUTHORITY FOR THE PURPOSES OF AN EXPANDED NEIGHBORHOOD
25 IMPROVEMENT AND DEVELOPMENT WITHIN A CITY.

26 "FACILITY." A STRUCTURE OR COMPLEX OF STRUCTURES TO BE USED
27 FOR RESIDENTIAL, AFFORDABLE HOUSING, COMMERCIAL, SPORTS
28 EXHIBITION, HOSPITALITY, CONFERENCE, RETAIL, COMMUNITY, OFFICE,
29 RECREATIONAL OR MIXED-USE PURPOSES.

30 "FUND." THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE FUND

1 ESTABLISHED UNDER SECTION 1904-B.1.

2 "MASTER LIST." A LIST MAINTAINED BY THE CONTRACTING
3 AUTHORITY THAT INCLUDES:

4 (1) THE LEGAL BUSINESS NAMES, PRINCIPAL BUSINESS
5 ADDRESSES WITHIN AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE
6 AND PARCEL NUMBERS OF ALL QUALIFIED BUSINESSES WHICH ARE
7 REQUIRED TO FILE REPORTS FOR THE CALENDAR YEAR UNDER SECTION
8 1904-B.1(B)(1).

9 (2) THE NAME, TELEPHONE NUMBER AND EMAIL ADDRESS OF THE
10 PERSON EMPLOYED BY THE QUALIFIED BUSINESS WHO IS PRIMARILY
11 RESPONSIBLE FOR COMPLETING REPORTS FOR THE QUALIFIED BUSINESS
12 REQUIRED UNDER SECTION 1904-B.1(B).

13 "OPERATING ORGANIZATION." AN ENTITY THAT CONTRACTS DIRECTLY
14 WITH THE CONTRACTING AUTHORITY TO LEASE OR OPERATE A FACILITY.

15 "PROFESSIONAL SPORTS ORGANIZATION." A SOLE PROPRIETORSHIP,
16 CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP OR
17 ASSOCIATION THAT MEETS ALL OF THE FOLLOWING:

18 (1) OWNS A PROFESSIONAL SPORTS FRANCHISE.

19 (2) CONDUCTS PROFESSIONAL ATHLETIC EVENTS OF THE SPORTS
20 FRANCHISE AT A FACILITY.

21 "QUALIFIED BUSINESS." AN ENTITY AUTHORIZED TO CONDUCT
22 BUSINESS IN THIS COMMONWEALTH WHICH IS LOCATED OR PARTIALLY
23 LOCATED WITHIN AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE AND IS
24 ENGAGED IN THE ACTIVE CONDUCT OF A TRADE OR BUSINESS FOR THE
25 TAXABLE YEAR. AN AGENT, BROKER OR REPRESENTATIVE OF A BUSINESS
26 SHALL NOT BE CONSIDERED TO BE IN THE ACTIVE CONDUCT OF TRADE OR
27 BUSINESS FOR THE BUSINESS.

28 SECTION 1903-B.1. FACILITY.

29 A CONTRACTING AUTHORITY MAY:

30 (1) DESIGNATE AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE

1 OF NOT GREATER THAN 130 ACRES IN WHICH A FACILITY MAY BE
2 CONSTRUCTED.

3 (2) BORROW MONEY FOR THE PURPOSE OF:

4 (I) IMPROVEMENT AND DEVELOPMENT WITHIN THE EXPANDED
5 NEIGHBORHOOD IMPROVEMENT ZONE.

6 (II) CONSTRUCTION OF A FACILITY WITHIN THE EXPANDED
7 NEIGHBORHOOD IMPROVEMENT ZONE.

8 SECTION 1904-B.1. EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE FUND
9 AND ACCOUNTS.

10 (A) FUND AND ACCOUNTS.--

11 (1) WITHIN 10 DAYS AFTER A CONTRACTING AUTHORITY MAKES A
12 DESIGNATION OF AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE, THE
13 CONTRACTING AUTHORITY SHALL NOTIFY THE STATE TREASURER OF THE
14 DESIGNATION.

15 (2) UPON THE NOTICE UNDER PARAGRAPH (1), THE STATE
16 TREASURER SHALL ESTABLISH A FUND TO BE KNOWN AS THE EXPANDED
17 NEIGHBORHOOD IMPROVEMENT ZONE FUND, WHICH SHALL CONTAIN AN
18 ACCOUNT FOR EACH CONTRACTING AUTHORITY. INTEREST INCOME
19 DERIVED FROM INVESTMENT OF THE MONEY IN THE FUND SHALL BE
20 CREDITED BY THE TREASURY DEPARTMENT TO THE FUND FOR EACH
21 ACCOUNT OF THE CONTRACTING AUTHORITY.

22 (B) CERTIFICATION.--

23 (1) WITHIN 31 DAYS OF THE END OF EACH CALENDAR YEAR,
24 EACH QUALIFIED BUSINESS SHALL FILE A REPORT WITH THE
25 DEPARTMENT WHICH COMPLIES WITH ALL OF THE FOLLOWING:

26 (I) STATES EACH STATE TAX, CALCULATED IN ACCORDANCE
27 WITH SUBSECTION (E), WHICH WAS PAID BY THE QUALIFIED
28 BUSINESS IN THE PRIOR CALENDAR YEAR.

29 (II) LISTS EACH STATE TAX REFUND WHICH COMPLIES WITH
30 ALL OF THE FOLLOWING:

1 (A) THE REFUND IS FOR A TAX:

2 (I) SPECIFIED IN SUBSECTION (E); AND

3 (II) CERTIFIED AS PAID UNDER SUBSECTION (E).

4 (B) THE REFUND WAS RECEIVED IN THE PRIOR
5 CALENDAR YEAR BY THE QUALIFIED BUSINESS.

6 (III) IS IN A FORM AND MANNER REQUIRED BY THE
7 DEPARTMENT.

8 (2) IN ADDITION TO ANY PENALTIES IMPOSED UNDER THIS ACT
9 FOR FAILURE TO TIMELY PAY STATE TAXES, THE FOLLOWING APPLY:

10 (I) FAILURE TO FILE A TIMELY AND COMPLETE REPORT
11 UNDER PARAGRAPH (1) SHALL RESULT IN THE IMPOSITION OF A
12 PENALTY OF 10% OF ALL STATE TAXES, CALCULATED IN
13 ACCORDANCE WITH SUBSECTION (E), WHICH WERE PAYABLE BY THE
14 QUALIFIED BUSINESS IN THE PRIOR CALENDAR YEAR. THE
15 FOLLOWING APPLY:

16 (A) THE PENALTY IMPOSED SHALL NOT BE LESS THAN
17 \$1,000.

18 (B) WHEN THE PENALTY IS RECEIVED, THE MONEY
19 SHALL BE TRANSFERRED FROM THE GENERAL FUND TO THE
20 ACCOUNT OF THE CONTRACTING AUTHORITY THAT DESIGNATED
21 THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE IN WHICH
22 THE QUALIFYING BUSINESS IS LOCATED.

23 (C) FAILURE TO FILE A TIMELY AND COMPLETE REPORT
24 UNDER PARAGRAPH (4) SHALL RESULT IN THE IMPOSITION OF
25 A PENALTY OF 10% OF ALL LOCAL TAXES, CALCULATED IN
26 ACCORDANCE WITH SUBSECTION (E) BY A CONTRACTING
27 AUTHORITY WHICH WERE PAYABLE BY THE QUALIFIED
28 BUSINESS IN THE PRIOR CALENDAR YEAR. THE PENALTY
29 IMPOSED UNDER THIS CLAUSE SHALL NOT BE LESS THAN
30 \$250.

1 (II) FAILURE TO REPORT A QUALIFIED BUSINESS
2 OPERATING IN THE FACILITY TO THE CONTRACTING AUTHORITY BY
3 AN OPERATING ORGANIZATION IN ACCORDANCE WITH SUBSECTION
4 (D) (2) SHALL RESULT IN THE IMPOSITION OF A PENALTY BY THE
5 CONTRACTING AUTHORITY UPON THE OPERATING ORGANIZATION, OF
6 100% OF THE TAXES WHICH WOULD BE CERTIFIED UNDER
7 SUBSECTION (E) FOR EACH QUALIFIED BUSINESS WHICH IS NOT
8 REPORTED TO THE CONTRACTING AUTHORITY OR \$1,000,
9 WHICHEVER IS GREATER. THE FOLLOWING APPLY:

10 (A) THE CONTRACTING AUTHORITY MAY NOT WAIVE OR
11 ABATE ANY PENALTIES IMPOSED UNDER THIS SUBPARAGRAPH.

12 (B) WHEN THE PENALTY IS RECEIVED, THE MONEY
13 SHALL BE TRANSFERRED FROM THE GENERAL FUND TO THE
14 ACCOUNT OF THE CONTRACTING AUTHORITY THAT DESIGNATED
15 THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE IN WHICH
16 THE QUALIFYING BUSINESS IS LOCATED.

17 (III) FAILURE TO FILE A TIMELY AND COMPLETE REPORT
18 UNDER PARAGRAPH (1) BY A QUALIFIED BUSINESS ENGAGED IN
19 THE ACTIVE CONDUCT OF A TRADE OR BUSINESS DURING THE
20 CALENDAR YEAR IN THE FACILITY SHALL RESULT IN THE
21 IMPOSITION OF A PENALTY BY THE CONTRACTING AUTHORITY UPON
22 THE OPERATING ORGANIZATION EQUAL TO 100% OF THE TAXES
23 PAID WHICH WOULD BE CERTIFIED UNDER SUBSECTION (E) FOR
24 EACH QUALIFIED BUSINESS WHICH FAILS TO FILE A TIMELY AND
25 COMPLETE REPORT. THE FOLLOWING APPLY:

26 (A) THE PENALTY IMPOSED SHALL NOT BE LESS THAN
27 \$1,000.

28 (B) IF THE QUALIFIED BUSINESS IS PROPERLY
29 INCLUDED ON THE MASTER LIST PROVIDED UNDER SUBSECTION
30 (D), THE CONTRACTING AUTHORITY MAY WAIVE OR ABATE

1 PENALTIES IMPOSED UNDER THIS SUBPARAGRAPH EQUAL TO
2 THE TOTAL TAXES PAID BY THE QUALIFIED BUSINESS WHICH
3 ARE CERTIFIED UNDER SUBSECTION (E).

4 (C) WHEN THE PENALTY IS RECEIVED, THE MONEY
5 SHALL BE DEPOSITED INTO THE ACCOUNT OF THE
6 CONTRACTING AUTHORITY THAT DESIGNATED THE EXPANDED
7 NEIGHBORHOOD IMPROVEMENT ZONE IN WHICH THE QUALIFYING
8 BUSINESS IS LOCATED.

9 (3) EXCEPT AS OTHERWISE PROVIDED UNDER PARAGRAPH (2) (II)
10 AND (III), A PENALTY IMPOSED UNDER THIS SUBSECTION SHALL BE
11 IMPOSED, ASSESSED AND COLLECTED BY THE DEPARTMENT UNDER THE
12 PROVISIONS FOR IMPOSING, ASSESSING AND COLLECTING PENALTIES
13 UNDER ARTICLE II. WHEN THE PENALTY IS RECEIVED, THE MONEY
14 SHALL BE TRANSFERRED FROM THE GENERAL FUND TO THE ACCOUNT OF
15 THE CONTRACTING AUTHORITY THAT DESIGNATED THE EXPANDED
16 NEIGHBORHOOD IMPROVEMENT ZONE IN WHICH THE QUALIFIED BUSINESS
17 IS LOCATED.

18 (4) WITHIN 31 DAYS OF THE END OF EACH CALENDAR YEAR,
19 EACH QUALIFIED BUSINESS SHALL FILE A REPORT WITH THE LOCAL
20 TAXING AUTHORITY REPORTING ALL LOCAL TAXES, CALCULATED IN
21 ACCORDANCE WITH SUBSECTION (E), WHICH WERE PAID BY THE
22 QUALIFIED BUSINESS IN THE PRIOR CALENDAR YEAR. THE FOLLOWING
23 APPLY:

24 (I) THE REPORT FROM EACH QUALIFIED BUSINESS SHALL
25 ALSO LIST ANY LOCAL TAX REFUNDS OF TAXES SPECIFIED IN
26 SUBSECTION (E) RECEIVED IN THE PRIOR CALENDAR YEAR BY THE
27 QUALIFIED BUSINESS AND ANY REFUNDS RELATED TO THE LOCAL
28 TAXES AS CALCULATED IN ACCORDANCE WITH SUBSECTION (E).

29 (II) THE REPORT SHALL BE IN A FORM AND MANNER
30 REQUIRED BY THE DEPARTMENT.

1 (C) TRANSITION.--

2 (1) SUBJECT TO PARAGRAPHS (3) AND (4), WITHIN 15 DAYS OF
3 THE RECEIPT OF A PENALTY OR REPORT FROM THE QUALIFIED
4 BUSINESS, THE STATE TREASURER SHALL:

5 (I) DETERMINE THE AMOUNT OF MONEY IN THE FUND WHICH
6 IS ATTRIBUTABLE TO EACH EXPANDED NEIGHBORHOOD IMPROVEMENT
7 ZONE.

8 (II) TRANSFER THE AMOUNT OF MONEY IN THE FUND FOR
9 EACH CONTRACTING AUTHORITY FOR WHICH MONEY WAS DEPOSITED.

10 (2) AN ENTITY COLLECTING A LOCAL TAX THAT IS IN
11 POSSESSION OF MONEY ATTRIBUTABLE TO A LOCAL TAX NOT INCLUDED
12 IN THE AMOUNT TO BE CALCULATED AND CERTIFIED UNDER SUBSECTION
13 (E) SHALL PROMPTLY REMIT THAT MONEY TO THE LOCAL TAXING
14 AUTHORITY ENTITLED TO RECEIVE THE MONEY.

15 (3) TRANSFER AND REPAYMENT IS SUBJECT TO THE FOLLOWING:

16 (I) BEFORE MAKING THE TRANSFER UNDER PARAGRAPH (1),
17 THE STATE TREASURER SHALL:

18 (A) DETERMINE THE AMOUNT OF MONEY DEPOSITED INTO
19 THE FUND WHICH WAS ATTRIBUTABLE TO EARNED INCOME
20 TAXES THAT A CONTRACTING AUTHORITY IS NOT ENTITLED TO
21 RECEIVE UNDER SUBSECTION (E).

22 (B) DEDUCT THE AMOUNT OF MONEY DETERMINED UNDER
23 CLAUSE (A) FROM THE MONEY TO BE TRANSFERRED UNDER
24 PARAGRAPH (1).

25 (II) IF ANY AMOUNT OF THE MONEY UNDER SUBPARAGRAPH
26 (I) (A) HAS ALREADY BEEN TRANSFERRED TO A CONTRACTING
27 AUTHORITY, THE STATE TREASURER SHALL TAKE ACTION AS
28 NECESSARY TO RECOVER THE MONEY FROM THE CONTRACTING
29 AUTHORITY, INCLUDING BY WAY OF SETOFF FROM MONEY TO BE
30 PAID TO THE CONTRACTING AUTHORITY UNDER PARAGRAPH (1).

1 THE CONTRACTING AUTHORITY SHALL COMPLY WITH A DEMAND MADE
2 BY THE STATE TREASURER FOR THE REPAYMENT OF MONEY UNDER
3 THIS PARAGRAPH.

4 (4) AS TO THE MONEY DEDUCTED OR RECOVERED UNDER
5 PARAGRAPH (3), THE STATE TREASURER SHALL:

6 (I) IDENTIFY THE LOCAL TAXING AUTHORITIES THAT WERE
7 ENTITLED TO RECEIVE THE MONEY WHICH WAS DEPOSITED INTO
8 THE FUND.

9 (II) DETERMINE THE AMOUNT TO WHICH EACH LOCAL TAXING
10 AUTHORITY WAS ENTITLED.

11 (III) REMIT THE AMOUNT UNDER SUBPARAGRAPH (II) TO
12 THE PROPER LOCAL TAXING AUTHORITY.

13 (D) MASTER LIST.--

14 (1) EXCEPT AS PROVIDED UNDER PARAGRAPH (2), WITHIN FIVE
15 DAYS OF THE END OF EACH MONTH, THE FOLLOWING SHALL BE
16 PROVIDED TO THE CONTRACTING AUTHORITY BY OR ON BEHALF OF THE
17 QUALIFIED BUSINESS FOR PURPOSES OF INCLUSION ON THE MASTER
18 LIST:

19 (I) THE LEGAL BUSINESS NAMES, BUSINESS ADDRESSES
20 WITHIN THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE AND
21 PARCEL NUMBERS OF ALL QUALIFIED BUSINESSES ENGAGED IN THE
22 ACTIVE CONDUCT OF A TRADE OR BUSINESS DURING THE PREVIOUS
23 MONTH.

24 (II) THE NAME, TELEPHONE NUMBER AND EMAIL ADDRESS OF
25 THE PERSON EMPLOYED BY THE QUALIFIED BUSINESS WHO IS
26 PRIMARILY RESPONSIBLE FOR COMPLETING REPORTS FOR THE
27 QUALIFIED BUSINESS REQUIRED UNDER SUBSECTION (B).

28 (2) FOR PURPOSES OF INCLUSION ON THE MASTER LIST, WITHIN
29 FIVE DAYS OF THE END OF EACH MONTH DURING A CALENDAR YEAR, AN
30 OPERATING ORGANIZATION SHALL PROVIDE TO THE CONTRACTING

1 AUTHORITY THE LEGAL BUSINESS NAMES AND BUSINESS ADDRESSES
2 WITHIN THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE OF ALL
3 QUALIFIED BUSINESSES ENGAGED IN THE ACTIVE CONDUCT OF A TRADE
4 OR BUSINESS IN THE FACILITY DURING THE PREVIOUS MONTH ALONG
5 WITH THE NAME, TELEPHONE NUMBER AND EMAIL ADDRESS OF THE
6 INDIVIDUAL EMPLOYED BY THE QUALIFIED BUSINESS WHO IS
7 PRIMARILY RESPONSIBLE FOR COMPLETING THE REPORTS FOR THE
8 QUALIFIED BUSINESS REQUIRED UNDER SUBSECTION (B).

9 (3) WITHIN 10 DAYS OF THE END OF EACH CALENDAR YEAR, THE
10 CONTRACTING AUTHORITY SHALL PROVIDE TO THE DEPARTMENT THE
11 MASTER LIST. THE DEPARTMENT MAY NOT CERTIFY ANY TAXES PAID
12 DIRECTLY OR INDIRECTLY BY A QUALIFIED BUSINESS AS PROVIDED
13 UNDER SUBSECTION (E) DURING THE PRIOR CALENDAR YEAR WHEN THE
14 QUALIFIED BUSINESS IS NOT INCLUDED ON THE MASTER LIST.

15 (4) A CONTRACTING AUTHORITY SHALL IMPOSE PENALTIES FOR
16 FAILURE TO COMPLY WITH THIS SECTION.

17 (E) CALCULATION.--

18 (1) WITHIN 60 DAYS OF THE END OF EACH CALENDAR YEAR, THE
19 DEPARTMENT SHALL CERTIFY SEPARATELY FOR EACH EXPANDED
20 NEIGHBORHOOD IMPROVEMENT ZONE THE AMOUNTS OF STATE TAXES
21 PAID, LESS ANY STATE TAX REFUNDS RECEIVED, BY THE QUALIFIED
22 BUSINESSES FILING REPORTS UNDER SUBSECTION (B) (1) TO THE
23 OFFICE OF THE BUDGET.

24 (2) BEGINNING IN THE FIRST FULL CALENDAR YEAR FOLLOWING
25 THE DESIGNATION OF AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE
26 AND IN EACH CALENDAR YEAR THEREAFTER, BY NOVEMBER 1, THE
27 DEPARTMENT SHALL CALCULATE, IN ACCORDANCE WITH THIS
28 SUBSECTION, AMOUNTS OF STATE TAXES ACTUALLY RECEIVED BY THE
29 COMMONWEALTH FROM EACH QUALIFIED BUSINESS THAT FILED A REPORT
30 UNDER SUBSECTION (B) (1) IN THE PRIOR CALENDAR YEAR, AND THE

1 DEPARTMENT SHALL CERTIFY THE AMOUNTS RECEIVED TO THE OFFICE
2 OF THE BUDGET.

3 (3) THE DEPARTMENT SHALL INCLUDE REPORTS FILED FIVE
4 MONTHS AFTER THE DUE DATE UNDER SUBSECTION (B) (1) IN THE
5 NOVEMBER 1 CERTIFICATION.

6 (4) AN ENTITY COLLECTING A LOCAL TAX WITHIN THE EXPANDED
7 NEIGHBORHOOD IMPROVEMENT ZONE SHALL, WITHIN 31 DAYS OF THE
8 END OF EACH CALENDAR YEAR, SUBMIT ALL OF THE LOCAL TAXES THAT
9 ARE TO BE CALCULATED UNDER THIS SUBSECTION AND WHICH WERE
10 PAID IN THE PRIOR CALENDAR YEAR, LESS ANY CERTIFIED LOCAL TAX
11 REFUNDS RECEIVED BY A QUALIFIED BUSINESS IN THE PRIOR
12 CALENDAR YEAR, TO THE STATE TREASURER TO BE DEPOSITED UNDER
13 SUBSECTION (G).

14 (5) THIS SUBSECTION SHALL NOT APPLY TO ANY TAXES SUBJECT
15 TO A VALID PLEDGE OR SECURITY INTEREST ENTERED INTO IN ORDER
16 TO SECURE DEBT SERVICE ON BONDS IF THE PLEDGE OR SECURITY
17 INTEREST WAS ENTERED INTO PRIOR TO THE DESIGNATION OF AN
18 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE, AND IS STILL IN
19 EFFECT.

20 (6) THE FOLLOWING SHALL BE THE AMOUNTS CALCULATED AND
21 CERTIFIED SEPARATELY FOR EACH EXPANDED NEIGHBORHOOD
22 IMPROVEMENT ZONE:

23 (I) AN AMOUNT EQUAL TO ALL CORPORATE NET INCOME TAX,
24 CAPITAL STOCK AND FRANCHISE TAX, PERSONAL INCOME TAX,
25 BUSINESS PRIVILEGE TAX, BUSINESS PRIVILEGE LICENSING FEES
26 AND EARNED INCOME TAX RELATED TO THE OWNERSHIP AND
27 OPERATION OF A PROFESSIONAL SPORTS ORGANIZATION
28 CONDUCTING PROFESSIONAL ATHLETIC EVENTS AT THE FACILITY.

29 (II) AN AMOUNT EQUAL TO ALL OF THE FOLLOWING:

30 (A) ALL PERSONAL INCOME TAX, EARNED INCOME TAX

1 AND LOCAL SERVICES TAX WITHHELD FROM EMPLOYEES BY A
2 PROFESSIONAL SPORTS ORGANIZATION CONDUCTING
3 PROFESSIONAL ATHLETIC EVENTS AT THE FACILITY.

4 (B) ALL PERSONAL INCOME TAX, EARNED INCOME TAX
5 AND LOCAL SERVICES TAX WITHHELD FROM THE EMPLOYEES OF
6 ANY PROVIDER OF EVENTS AT OR SERVICES TO OR ANY
7 OPERATOR OF AN ENTERPRISE IN THE FACILITY.

8 (C) ALL PERSONAL INCOME TAX, EARNED INCOME TAX
9 AND LOCAL SERVICES TAX TO WHICH THE COMMONWEALTH
10 WOULD BE ENTITLED FROM PERFORMERS OR OTHER
11 PARTICIPANTS, INCLUDING VISITING TEAMS, AT AN EVENT
12 OR ACTIVITY AT THE FACILITY.

13 (III) AN AMOUNT EQUAL TO ALL SALES AND USE TAX
14 RELATED TO THE OPERATION OF THE PROFESSIONAL SPORTS
15 ORGANIZATION AND THE FACILITY AND ENTERPRISES DEVELOPED
16 AS PART OF THE FACILITY. THIS SUBPARAGRAPH SHALL INCLUDE
17 SALES AND USE TAX PAID BY A PROVIDER OF EVENTS OR
18 ACTIVITIES AT OR SERVICES TO THE FACILITY, INCLUDING
19 SALES AND USE TAX PAID BY VENDORS AND CONCESSIONAIRES AND
20 CONTRACTORS AT THE FACILITY.

21 (IV) AN AMOUNT EQUAL TO ALL TAX PAID TO THE
22 COMMONWEALTH RELATED TO THE SALE OF ANY LIQUOR, WINE OR
23 MALT OR BREWED BEVERAGE IN THE FACILITY.

24 (V) THE AMOUNT PAID BY THE PROFESSIONAL SPORTS
25 ORGANIZATION OR BY ANY PROVIDER OF EVENTS OR ACTIVITIES
26 AT OR SERVICES TO THE FACILITY OF ANY NEW TAX ENACTED BY
27 THE COMMONWEALTH AFTER THE EFFECTIVE DATE OF THIS
28 SUBPARAGRAPH.

29 (VI) AN AMOUNT EQUAL TO ALL PERSONAL INCOME TAX,
30 EARNED INCOME TAX AND LOCAL SERVICES TAX WITHHELD FROM

1 PERSONNEL BY THE PROFESSIONAL SPORTS ORGANIZATION OR BY A
2 CONTRACTOR OR OTHER ENTITY INVOLVED IN THE CONSTRUCTION
3 OF THE FACILITY.

4 (VII) AN AMOUNT EQUAL TO ALL SALES AND USE TAX PAID
5 ON MATERIALS AND OTHER CONSTRUCTION COSTS, WHETHER
6 WITHHELD OR PAID BY THE PROFESSIONAL SPORTS ORGANIZATION
7 OR OTHER ENTITY, DIRECTLY RELATED TO THE CONSTRUCTION OF
8 THE FACILITY.

9 (VIII) AN AMOUNT EQUAL TO ALL OF THE FOLLOWING:

10 (A) ALL CORPORATE NET INCOME TAX, CAPITAL STOCK
11 AND FRANCHISE TAX, PERSONAL INCOME TAX, BUSINESS
12 PRIVILEGE TAX, BUSINESS PRIVILEGE LICENSING FEES AND
13 EARNED INCOME TAX RELATED TO THE OWNERSHIP AND
14 OPERATION OF ANY QUALIFIED BUSINESS WITHIN THE
15 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE.

16 (B) ALL PERSONAL INCOME TAX, EARNED INCOME TAX
17 AND LOCAL SERVICES TAX WITHHELD FROM EMPLOYEES BY A
18 QUALIFIED BUSINESS WITHIN THE EXPANDED NEIGHBORHOOD
19 IMPROVEMENT ZONE.

20 (C) ALL PERSONAL INCOME TAX, EARNED INCOME TAX
21 AND LOCAL SERVICES TAX WITHHELD FROM THE EMPLOYEES OF
22 A QUALIFIED BUSINESS THAT PROVIDES EVENTS, ACTIVITIES
23 OR SERVICES IN THE EXPANDED NEIGHBORHOOD IMPROVEMENT
24 ZONE.

25 (D) ALL PERSONAL INCOME TAX, EARNED INCOME TAX
26 AND LOCAL SERVICES TAX TO WHICH THE COMMONWEALTH
27 WOULD BE ENTITLED FROM PERFORMERS OR OTHER
28 PARTICIPANTS AT AN EVENT OR ACTIVITY IN THE EXPANDED
29 NEIGHBORHOOD IMPROVEMENT ZONE.

30 (E) ALL SALES AND USE TAX RELATED TO THE

1 OPERATION OF A QUALIFIED BUSINESS WITHIN THE EXPANDED
2 NEIGHBORHOOD IMPROVEMENT ZONE. THIS CLAUSE SHALL
3 INCLUDE SALES AND USE TAX PAID BY A QUALIFIED
4 BUSINESS THAT PROVIDES EVENTS, ACTIVITIES OR SERVICES
5 IN THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE.

6 (F) ALL TAX PAID BY A QUALIFIED BUSINESS TO THE
7 COMMONWEALTH RELATED TO THE SALE OF ANY LIQUOR, WINE
8 OR MALT OR BREWED BEVERAGE WITHIN THE EXPANDED
9 NEIGHBORHOOD IMPROVEMENT ZONE.

10 (G) THE AMOUNT PAID BY A QUALIFIED BUSINESS
11 WITHIN THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE OF
12 ANY NEW TAX ENACTED BY THE COMMONWEALTH FOLLOWING
13 OCTOBER 9, 2009.

14 (H) ALL PERSONAL INCOME TAX, EARNED INCOME TAX
15 AND LOCAL SERVICES TAX WITHHELD FROM PERSONNEL BY A
16 QUALIFIED BUSINESS INVOLVED IN THE IMPROVEMENT,
17 DEVELOPMENT OR CONSTRUCTION OF THE EXPANDED
18 NEIGHBORHOOD IMPROVEMENT ZONE.

19 (I) ALL SALES AND USE TAX PAID ON MATERIALS AND
20 OTHER CONSTRUCTION COSTS, WHETHER WITHHELD OR PAID BY
21 THE PROFESSIONAL SPORTS ORGANIZATION OR OTHER
22 QUALIFIED BUSINESS, DIRECTLY RELATED TO THE
23 IMPROVEMENT, DEVELOPMENT OR CONSTRUCTION OF THE
24 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE.

25 (J) AN AMOUNT EQUAL TO ANY AMUSEMENT TAX PAID BY
26 A QUALIFIED BUSINESS OPERATING IN THE EXPANDED
27 NEIGHBORHOOD IMPROVEMENT ZONE. A POLITICAL
28 SUBDIVISION OR OTHER ENTITY AUTHORIZED TO COLLECT
29 AMUSEMENT TAXES MAY NOT IMPOSE OR INCREASE THE RATE
30 OF ANY TAX ON ADMISSIONS TO PLACES OF ENTERTAINMENT,

1 EXHIBITION OR AMUSEMENT OR UPON ATHLETIC EVENTS IN
2 THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE WHICH ARE
3 NOT IN EFFECT ON THE DATE THE EXPANDED NEIGHBORHOOD
4 IMPROVEMENT ZONE IS DESIGNATED BY THE CONTRACTING
5 AUTHORITY.

6 (IX) EXCEPT FOR A TAX LEVIED AGAINST REAL PROPERTY
7 AND NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN AMOUNT
8 EQUAL TO ANY TAX IMPOSED BY THE COMMONWEALTH OR ANY OF
9 THE COMMONWEALTH'S POLITICAL SUBDIVISIONS ON A QUALIFIED
10 BUSINESS ENGAGED IN AN ACTIVITY WITHIN THE EXPANDED
11 NEIGHBORHOOD IMPROVEMENT ZONE OR DIRECTLY OR INDIRECTLY
12 ON ANY SALE OR PURCHASE OF GOODS OR SERVICES, WHERE THE
13 POINT OF SALE OR PURCHASE IS WITHIN THE EXPANDED
14 NEIGHBORHOOD IMPROVEMENT ZONE.

15 (F) STATE TAX LIABILITY APPORTIONMENT.--FOR THE PURPOSE OF
16 MAKING THE CALCULATIONS UNDER SUBSECTION (E), THE STATE TAX
17 LIABILITY OF A QUALIFIED BUSINESS SHALL BE APPORTIONED TO THE
18 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE BY MULTIPLYING THE
19 PENNSYLVANIA STATE TAX LIABILITY BY A FRACTION, THE NUMERATOR OF
20 WHICH IS THE PROPERTY FACTOR PLUS THE PAYROLL FACTOR PLUS THE
21 SALES FACTOR AND THE DENOMINATOR OF WHICH IS THREE, IN
22 ACCORDANCE WITH THE FOLLOWING:

23 (1) THE PROPERTY FACTOR IS A FRACTION, THE NUMERATOR OF
24 WHICH IS THE AVERAGE VALUE OF THE TAXPAYER'S REAL AND
25 TANGIBLE PERSONAL PROPERTY OWNED OR RENTED AND USED IN THE
26 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE DURING THE TAX PERIOD
27 AND THE DENOMINATOR OF WHICH IS THE AVERAGE VALUE OF ALL THE
28 TAXPAYER'S REAL AND TANGIBLE PERSONAL PROPERTY OWNED OR
29 RENTED AND USED IN THIS COMMONWEALTH DURING THE TAX PERIOD
30 BUT SHALL NOT INCLUDE THE SECURITY INTEREST OF ANY

1 CORPORATION AS SELLER OR LESSOR IN PERSONAL PROPERTY SOLD OR
2 LEASED UNDER A CONDITIONAL SALE, BAILMENT LEASE, CHATTEL
3 MORTGAGE OR OTHER CONTRACT PROVIDING FOR THE RETENTION OF A
4 LIEN OR TITLE AS SECURITY FOR THE SALE PRICE OF THE PROPERTY.

5 (2) THE FOLLOWING APPLY:

6 (I) THE PAYROLL FACTOR IS A FRACTION, THE NUMERATOR
7 OF WHICH IS THE TOTAL AMOUNT PAID IN THE EXPANDED
8 NEIGHBORHOOD IMPROVEMENT ZONE DURING THE TAX PERIOD BY
9 THE TAXPAYER FOR COMPENSATION AND THE DENOMINATOR OF
10 WHICH IS THE TOTAL COMPENSATION PAID IN THIS COMMONWEALTH
11 DURING THE TAX PERIOD.

12 (II) COMPENSATION IS PAID IN THE EXPANDED
13 NEIGHBORHOOD IMPROVEMENT ZONE, IF:

14 (A) THE PERSON'S SERVICE IS PERFORMED ENTIRELY
15 WITHIN THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE;

16 (B) THE PERSON'S SERVICE IS PERFORMED BOTH
17 WITHIN AND OUTSIDE THE EXPANDED NEIGHBORHOOD
18 IMPROVEMENT ZONE, BUT THE SERVICE PERFORMED OUTSIDE
19 THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE IS
20 INCIDENTAL TO THE PERSON'S SERVICE WITHIN THE
21 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE; OR

22 (C) SOME OF THE SERVICE IS PERFORMED IN THE
23 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE AND THE BASE
24 OF OPERATIONS OR, IF THERE IS NO BASE OF OPERATIONS,
25 THE PLACE FROM WHICH THE SERVICE IS DIRECTED OR
26 CONTROLLED IS IN THE EXPANDED NEIGHBORHOOD
27 IMPROVEMENT ZONE, OR THE BASE OF OPERATIONS OR THE
28 PLACE FROM WHICH THE SERVICE IS DIRECTED OR
29 CONTROLLED IS NOT IN ANY LOCATION IN WHICH SOME PART
30 OF THE SERVICE IS PERFORMED, BUT THE PERSON'S

1 RESIDENCE IS IN THE EXPANDED NEIGHBORHOOD IMPROVEMENT
2 ZONE.

3 (3) THE SALES FACTOR IS A FRACTION, THE NUMERATOR OF
4 WHICH IS THE TOTAL SALES OF THE TAXPAYER IN THE EXPANDED
5 NEIGHBORHOOD IMPROVEMENT ZONE DURING THE TAX PERIOD AND THE
6 DENOMINATOR OF WHICH IS THE TOTAL SALES OF THE TAXPAYER IN
7 THIS COMMONWEALTH DURING THE TAX PERIOD. THE FOLLOWING APPLY:

8 (I) SALES OF TANGIBLE PERSONAL PROPERTY ARE IN THE
9 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE IF THE PROPERTY IS
10 DELIVERED OR SHIPPED TO A PURCHASER THAT TAKES POSSESSION
11 WITHIN THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE
12 REGARDLESS OF THE F.O.B. POINT OR OTHER CONDITIONS OF THE
13 SALE.

14 (II) SALES OTHER THAN SALES OF TANGIBLE PERSONAL
15 PROPERTY ARE IN THE EXPANDED NEIGHBORHOOD IMPROVEMENT
16 ZONE, IF:

17 (A) THE INCOME-PRODUCING ACTIVITY IS PERFORMED
18 IN THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE; OR

19 (B) THE INCOME-PRODUCING ACTIVITY IS PERFORMED
20 BOTH WITHIN AND OUTSIDE THE EXPANDED NEIGHBORHOOD
21 IMPROVEMENT ZONE AND A GREATER PROPORTION OF THE
22 INCOME-PRODUCING ACTIVITY IS PERFORMED IN THE
23 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE THAN IN ANY
24 OTHER LOCATION, BASED ON COSTS OF PERFORMANCE.

25 (G) TRANSFERS.--

26 (1) WITHIN 10 DAYS OF RECEIVING CERTIFICATION UNDER
27 SUBSECTION (E), THE SECRETARY OF THE BUDGET SHALL DIRECT THE
28 STATE TREASURER TO, NOTWITHSTANDING ANY OTHER PROVISION OF
29 LAW, TRANSFER THE AMOUNTS CERTIFIED UNDER SUBSECTION (E) FOR
30 EACH EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE FROM THE GENERAL

1 FUND TO THE ACCOUNT OF THE CONTRACTING AUTHORITY THAT
2 ESTABLISHED THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE.

3 (2) BEGINNING IN THE SECOND CALENDAR YEAR FOLLOWING THE
4 DESIGNATION OF AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE AND
5 IN EACH YEAR THEREAFTER, THE AMOUNTS CERTIFIED BY THE
6 SECRETARY OF THE BUDGET TO THE STATE TREASURER AND THE
7 AMOUNTS TRANSFERRED BY THE STATE TREASURER TO THE ACCOUNT OF
8 EACH CONTRACTING AUTHORITY SHALL BE DETERMINED AS FOLLOWS:

9 (I) ADD AMOUNTS CERTIFIED BY THE DEPARTMENT UNDER
10 SUBSECTION (E) FOR THE PRIOR CALENDAR YEAR.

11 (II) SUBTRACT FROM THE SUM UNDER SUBPARAGRAPH (I)
12 ANY STATE TAX REFUNDS PAID AS CERTIFIED BY THE DEPARTMENT
13 UNDER SUBSECTION (E).

14 (III) ADD TO THE DIFFERENCE UNDER SUBPARAGRAPH (II)
15 ANY AMOUNTS CERTIFIED UNDER SUBSECTION (E) WITH RESPECT
16 TO THE SECOND PRIOR CALENDAR YEAR.

17 (IV) SUBTRACT FROM THE SUM UNDER SUBPARAGRAPH (III)
18 ANY AMOUNTS CERTIFIED UNDER SUBSECTION (E) WHICH ARE LESS
19 THAN THE AMOUNTS PREVIOUSLY CERTIFIED UNDER SUBSECTION
20 (E) WITH RESPECT TO THE SECOND PRIOR CALENDAR YEAR.

21 (3) THE STATE TREASURER SHALL PROVIDE AN ANNUAL TRANSFER
22 TO THE CONTRACTING AUTHORITY UNTIL THE BONDS ISSUED TO
23 FINANCE AND REFINANCE THE IMPROVEMENT AND DEVELOPMENT OF THE
24 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE AND THE CONSTRUCTION
25 OF THE FACILITY ARE RETIRED. EACH ANNUAL TRANSFER TO THE
26 CONTRACTING AUTHORITY SHALL BE EQUAL TO THE BALANCE OF THE
27 ACCOUNT OF THE CONTRACTING AUTHORITY ON THE DATE OF THE
28 TRANSFER UNDER PARAGRAPH (1).

29 (H) RESTRICTION ON USE OF MONEY.--MONEY TRANSFERRED UNDER
30 SUBSECTION (G) IS SUBJECT TO THE FOLLOWING:

1 (1) THE MONEY MAY ONLY BE UTILIZED AS FOLLOWS:

2 (I) FOR PAYMENT OF DEBT SERVICE, DIRECTLY OR
3 INDIRECTLY THROUGH A MULTITIERED OWNERSHIP STRUCTURE OR
4 OTHER STRUCTURE AUTHORIZED BY A CONTRACTING AUTHORITY TO
5 FACILITATE FINANCING MECHANISMS, ON BONDS OR ON
6 REFINANCING LOANS USED TO REPAY BONDS ISSUED TO FINANCE
7 OR REFINANCE:

8 (A) THE IMPROVEMENT AND DEVELOPMENT OF ALL OR
9 ANY PART OF THE EXPANDED NEIGHBORHOOD IMPROVEMENT
10 ZONE; AND

11 (B) THE CONSTRUCTION OF ALL OR PART OF A
12 FACILITY.

13 (II) FOR PAYMENT OF DEBT SERVICE ON BONDS ISSUED TO
14 REFUND THOSE BONDS.

15 (III) FOR REPLENISHMENT OF AMOUNTS REQUIRED IN ANY
16 DEBT SERVICE RESERVE FUNDS ESTABLISHED TO PAY DEBT
17 SERVICE ON BONDS.

18 (2) THE TERM OF A BOND TO BE REFUNDED SHALL NOT EXCEED
19 THE MAXIMUM TERM PERMITTED FOR THE ORIGINAL BOND ISSUED FOR
20 THE IMPROVEMENT OR DEVELOPMENT OF THE EXPANDED NEIGHBORHOOD
21 IMPROVEMENT ZONE AND THE CONSTRUCTION OF A FACILITY.

22 (3) THE MONEY MAY NOT BE UTILIZED FOR PURPOSES OF
23 RENOVATING OR REPAIRING A FACILITY, EXCEPT FOR CAPITAL
24 MAINTENANCE AND IMPROVEMENT PROJECTS.

25 (I) TICKET SURCHARGE.--THE ENTITY OPERATING THE FACILITY MAY
26 COLLECT A CAPITAL REPAIR AND IMPROVEMENT TICKET SURCHARGE, THE
27 PROCEEDS OF WHICH SHALL BE DEPOSITED INTO THE ACCOUNT OF EACH
28 CONTRACTING AUTHORITY. THE ACCOUNT OF EACH CONTRACTING AUTHORITY
29 SHALL BE MAINTAINED AND UTILIZED AS FOLLOWS:

30 (1) THE MONEY DEPOSITED UNDER THIS SUBSECTION MAY NOT BE

1 ENCUMBERED FOR ANY REASON AND SHALL BE TRANSFERRED TO THE
2 ENTITY FOR CAPITAL REPAIR AND IMPROVEMENT PROJECTS UPON
3 REQUEST FROM THE ENTITY.

4 (2) UPON THE EXPIRATION OF THE EXPANDED NEIGHBORHOOD
5 IMPROVEMENT ZONE UNDER SECTION 1909-B.1, ANY AND ALL PORTIONS
6 OF THE FUND ATTRIBUTABLE TO THE TICKET SURCHARGE SHALL BE
7 IMMEDIATELY TRANSFERRED TO THE CONTRACTING AUTHORITY TO BE
8 HELD IN ESCROW WHERE THE MONEY SHALL BE UNENCUMBERED AND
9 MAINTAINED BY THE CONTRACTING AUTHORITY IN THE SAME MANNER AS
10 THE FUND. UPON THE TRANSFER, ANY TICKET SURCHARGE COLLECTED
11 BY THE OPERATING ENTITY SHALL THEREAFTER BE DEPOSITED IN THE
12 ACCOUNT MAINTAINED BY THE CONTRACTING AUTHORITY AND DISPERSED
13 FOR A CAPITAL REPAIR AND IMPROVEMENT PROJECT UPON REQUEST BY
14 THE OPERATING ENTITY.

15 (J) EXCESS MONEY.--WITHIN 30 DAYS OF THE END OF EACH
16 CALENDAR YEAR, ANY MONEY REMAINING IN THE ACCOUNT OF EACH
17 CONTRACTING AUTHORITY AT THE END OF THE PRIOR CALENDAR YEAR
18 AFTER THE REQUIRED PAYMENTS UNDER SUBSECTION (G) (2) WERE MADE IN
19 THE PRIOR CALENDAR YEAR SHALL BE REFUNDED IN THE FOLLOWING
20 MANNER:

21 (1) MONEY SHALL FIRST BE RETURNED TO THE GENERAL FUND TO
22 THE EXTENT THAT THE EXCESS MONEY IS PART OF THE TRANSFER
23 UNDER SUBSECTION (G) (1).

24 (2) MONEY SHALL NEXT BE PAID TO THE CONTRACTING
25 AUTHORITY TO THE EXTENT THAT THE AMOUNTS PAID UNDER
26 SUBSECTION (G) (2) CONSISTED OF LOCAL TAXES. THE CONTRACTING
27 AUTHORITY SHALL RETURN THE MONEY TO THE APPROPRIATE ENTITIES
28 COLLECTING LOCAL TAX WHO SUBMITTED THE LOCAL TAXES TO THE
29 STATE TREASURER UNDER SUBSECTION (E).

30 (K) AUDIT.--

1 (1) THE CONTRACTING AUTHORITY SHALL HIRE AN INDEPENDENT
2 AUDITING FIRM TO PERFORM AN ANNUAL AUDIT VERIFYING ALL OF THE
3 FOLLOWING:

4 (I) THE CORRECT AMOUNT OF THE ELIGIBLE LOCAL TAX WAS
5 SUBMITTED TO THE LOCAL TAXING AUTHORITIES.

6 (II) THE LOCAL TAXING AUTHORITIES TRANSFERRED THE
7 CORRECT AMOUNT OF ELIGIBLE LOCAL TAX TO THE STATE
8 TREASURER.

9 (III) THE MONEY TRANSFERRED TO THE FUND WAS PROPERLY
10 EXPENDED.

11 (IV) THE CORRECT AMOUNT OF EXCESS MONEY WAS REFUNDED
12 IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (J).

13 (2) A COPY OF EACH ANNUAL AUDIT UNDER PARAGRAPH (1)
14 SHALL BE SENT TO THE DEPARTMENT AND THE SECRETARY OF THE
15 BUDGET.

16 (3) FOR PURPOSES OF THIS SUBSECTION, AN AUDITING FIRM
17 SHALL NOT BE CONSIDERED INDEPENDENT IF THE AUDITING FIRM
18 PROVIDES SERVICES TO AN OPERATING ORGANIZATION OR ANY
19 QUALIFIED BUSINESS WITHIN AN EXPANDED NEIGHBORHOOD
20 IMPROVEMENT ZONE WHICH IS A PARTY TO A SEPARATE AGREEMENT
21 WITH A CONTRACTING AUTHORITY FOR THE ALLOCATION OF FUNDS FROM
22 THE CONTRACTING AUTHORITY.

23 SECTION 1905-B.1. TAXES.

24 (A) PROHIBITION.--A DIVISION OF LOCAL GOVERNMENT MAY NOT
25 ASSESS REAL ESTATE TAXES ON ANY PROPERTY IN AN EXPANDED
26 NEIGHBORHOOD IMPROVEMENT ZONE OWNED BY A CONTRACTING AUTHORITY.

27 (B) LOCAL HOTEL TAX.--NOTWITHSTANDING ANY OTHER PROVISION OF
28 LAW, REVENUE GENERATED FROM LOCAL HOTEL TAXES LEVIED IN AN
29 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE MUST FIRST BE SET ASIDE
30 FOR NEW DEVELOPMENT AND CAPITAL IMPROVEMENT OF HOTEL PROPERTIES

1 IN THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE. IF THERE IS NO
2 NEW HOTEL PROPERTY DEVELOPMENT OR CAPITAL IMPROVEMENT IN THE
3 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE, THE REVENUE GENERATED
4 FROM HOTEL TAXES SHALL BE DISTRIBUTED AS PROVIDED UNDER LOCAL
5 HOTEL TAX LAW.

6 (C) AMOUNT.--FOR PURPOSES OF THIS ARTICLE, REVENUE COLLECTED
7 FROM LOCAL HOTEL TAXES SHALL ONLY INCLUDE THE AMOUNT OF LOCAL
8 HOTEL TAXES COLLECTED FROM HOTEL ACTIVITIES WHICH EXCEED THE
9 AMOUNT COLLECTED FROM HOTEL ACTIVITIES OCCURRING PRIOR TO THE
10 DESIGNATION OF AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE BY THE
11 CONTRACTING AUTHORITY.

12 SECTION 1906-B.1. PROPERTY ASSESSMENT.

13 NOTWITHSTANDING 53 PA.C.S. CH. 88 (RELATING TO CONSOLIDATED
14 COUNTY ASSESSMENT), FOR PURPOSES OF DETERMINING THE ASSESSED
15 VALUE OF PROPERTY LOCATED IN AN EXPANDED NEIGHBORHOOD
16 IMPROVEMENT ZONE, THE ACTUAL FAIR MARKET VALUE OF THE PROPERTY
17 SHALL BE ESTABLISHED WITHOUT UTILIZING OR CONSIDERING THE COST
18 APPROACH TO VALUATION, AND ANY MONEY RECEIVED BY THE CONTRACTING
19 AUTHORITY AND UTILIZED DIRECTLY OR INDIRECTLY IN CONNECTION WITH
20 THE PROPERTY SHALL NOT BE CONSIDERED REAL PROPERTY OR INCOME
21 ATTRIBUTABLE TO THE PROPERTY.

22 SECTION 1907-B.1. TRANSFER OF PROPERTY.

23 (A) TRANSFER OF PARCELS.--PARCELS IN A ZONE MAY BE
24 TRANSFERRED OUT OF THE ZONE AND REPLACED WITH PARCELS NOT TO
25 EXCEED THE ACREAGE TRANSFERRED OUT OF THE ZONE BY THE
26 CONTRACTING AUTHORITY, IF:

27 (1) THE DEPARTMENT CERTIFIES THAT THERE IS CURRENTLY NO
28 ACTIVITY IN THE PARCELS TRANSFERRED IN THE ZONE THAT
29 GENERATES TAX RECEIPTS OR OTHER REVENUE TO THE COMMONWEALTH.

30 (2) THE MUNICIPALITY WHERE THE ZONE IS LOCATED CERTIFIES

1 THAT THERE IS CURRENTLY NO ACTIVITY IN THE PARCELS
2 TRANSFERRED INTO THE ZONE THAT GENERATES TAX RECEIPTS OR
3 OTHER REVENUE, OTHER THAN TAXES ON REAL PROPERTY, TO THE
4 MUNICIPALITY AND THE SCHOOL DISTRICT AND COUNTY WHERE THE
5 ZONE IS LOCATED.

6 (B) PUBLIC HEARING.--

7 (1) FOR A PARCEL IDENTIFIED BY THE CONTRACTING AUTHORITY
8 TO BE TRANSFERRED OUT OF THE ZONE, THE CONTRACTING AUTHORITY
9 MAY CONDUCT A PUBLIC HEARING PURSUANT TO A REQUEST FROM AN
10 OWNER OF REAL ESTATE LOCATED WITHIN THE PARCEL OR THE CITY OR
11 MUNICIPALITY WHERE THE PARCEL SITS. THE HEARING SHALL BE HELD
12 AND NOTICE OF THE HEARING PROVIDED TO THE OWNER OF THE PARCEL
13 IN ACCORDANCE WITH SECTION 908 OF THE ACT OF JULY 31, 1968
14 (P.L.805, NO.247), KNOWN AS THE PENNSYLVANIA MUNICIPALITIES
15 PLANNING CODE.

16 (2) IF THE CONTRACTING AUTHORITY DETERMINES THAT IT WILL
17 TRANSFER A PARCEL OUT OF THE ZONE, THE CONTRACTING AUTHORITY
18 SHALL ISSUE A WRITTEN OPINION WITHIN 45 DAYS OF THE HEARING
19 SPECIFYING THE REASONS SUPPORTING THE DETERMINATION.

20 SECTION 1908-B.1. KEYSTONE OPPORTUNITY ZONE.

21 WITHIN FOUR MONTHS FOLLOWING THE DESIGNATION OF AN EXPANDED
22 NEIGHBORHOOD IMPROVEMENT ZONE, A CITY MAY APPLY TO THE
23 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO DECERTIFY
24 AND REMOVE THE DESIGNATION OF ALL OR PART OF THE KEYSTONE
25 OPPORTUNITY ZONE ON BEHALF OF ALL POLITICAL SUBDIVISIONS. THE
26 PROVISIONS OF SECTION 309 OF THE ACT OF OCTOBER 6, 1998
27 (P.L.705, NO.92), KNOWN AS THE KEYSTONE OPPORTUNITY ZONE,
28 KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY
29 IMPROVEMENT ZONE ACT, SHALL BE DEEMED SATISFIED AS TO ALL
30 POLITICAL SUBDIVISIONS. THE DEPARTMENT OF COMMUNITY AND ECONOMIC

1 DEVELOPMENT SHALL ACT ON THE APPLICATION WITHIN 30 DAYS.

2 SECTION 1909-B.1. DURATION.

3 THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE SHALL BE IN EFFECT
4 FOR A PERIOD EQUAL TO ONE YEAR FOLLOWING RETIREMENT OF ALL BONDS
5 ISSUED TO FINANCE OR REFINANCE THE IMPROVEMENT AND DEVELOPMENT
6 OF THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE OR THE
7 CONSTRUCTION OF THE FACILITY. THE MAXIMUM TERM OF THE BOND,
8 INCLUDING THE REFUNDING OF THE BOND, SHALL NOT EXCEED 30 YEARS.

9 SECTION 1910-B.1. COMMONWEALTH PLEDGES.

10 IF AND TO THE EXTENT THAT THE CONTRACTING AUTHORITY PLEDGES
11 AMOUNTS REQUIRED TO BE TRANSFERRED TO THE ACCOUNT OF THE
12 CONTRACTING AUTHORITY UNDER SECTION 1904-B.1 FOR THE PAYMENT OF
13 BONDS ISSUED BY THE CONTRACTING AUTHORITY, UNTIL ALL BONDS
14 SECURED BY THE PLEDGE OF THE CONTRACTING AUTHORITY, TOGETHER
15 WITH THE INTEREST ON THE BONDS, ARE FULLY PAID OR PROVIDED FOR,
16 THE COMMONWEALTH PLEDGES TO AND AGREES WITH ANY PERSON, FIRM,
17 CORPORATION OR GOVERNMENT AGENCY, WHETHER IN THIS COMMONWEALTH
18 OR ELSEWHERE, AND TO AND WITH ANY FEDERAL AGENCY SUBSCRIBING TO
19 OR ACQUIRING THE BONDS ISSUED BY THE CONTRACTING AUTHORITY THAT
20 THE COMMONWEALTH ITSELF WILL NOT NOR WILL IT AUTHORIZE ANY
21 GOVERNMENT ENTITY TO ABOLISH OR REDUCE THE SIZE OF THE EXPANDED
22 NEIGHBORHOOD IMPROVEMENT ZONE, TO AMEND OR REPEAL SECTION 1904-
23 B.1(B), (E) OR (G), TO LIMIT OR ALTER THE RIGHTS VESTED IN THE
24 CONTRACTING AUTHORITY IN A MANNER INCONSISTENT WITH THE
25 OBLIGATIONS OF THE CONTRACTING AUTHORITY WITH RESPECT TO THE
26 BONDS ISSUED BY THE CONTRACTING AUTHORITY OR TO OTHERWISE IMPAIR
27 REVENUES TO BE PAID UNDER THIS ARTICLE TO THE CONTRACTING
28 AUTHORITY NECESSARY TO PAY DEBT SERVICE ON BONDS. NOTHING IN
29 THIS SECTION SHALL LIMIT THE AUTHORITY OF THE COMMONWEALTH OR
30 ANY GOVERNMENT ENTITY TO CHANGE THE RATE, TAX BASES OR ANY

1 SUBJECT OF ANY SPECIFIC TAX OR REPEALING OR ENACTING ANY TAX.

2 SECTION 1911-B.1. CONFIDENTIALITY.

3 NOTWITHSTANDING ANY OTHER PROVISION OF LAW PROVIDING FOR THE
4 CONFIDENTIALITY OF TAX RECORDS, THE CONTRACTING AUTHORITY AND
5 THE LOCAL TAXING AUTHORITIES SHALL HAVE ACCESS TO ANY REPORTS
6 AND CERTIFICATIONS FILED UNDER THIS ARTICLE, AND THE CONTRACTING
7 AUTHORITY SHALL HAVE ACCESS TO ANY STATE OR LOCAL TAX
8 INFORMATION FILED BY A QUALIFIED BUSINESS IN THE EXPANDED
9 NEIGHBORHOOD IMPROVEMENT ZONE SOLELY FOR THE PURPOSE OF
10 DOCUMENTING THE CERTIFICATIONS REQUIRED BY THIS ARTICLE OR
11 DETERMINING THE AMOUNT ALLOCATED TO ANY USES SPECIFIED UNDER
12 SECTION 1904-B.1(H) (1). ANY OTHER USE OF THE TAX INFORMATION
13 SHALL BE PROHIBITED AS PROVIDED UNDER LAW.

14 SECTION 1912-B.1. EXCEPTIONS.

15 BEGINNING WITH THE 2024 CALENDAR YEAR, NONE OF THE FOLLOWING
16 MAY BE EMPLOYED BY, BE CONTRACTING WITH OR PROVIDE SERVICES FOR
17 A CONTRACTING AUTHORITY:

18 (1) AN INDIVIDUAL EMPLOYED BY, CONTRACTING WITH OR
19 PROVIDING SERVICE FOR A CITY THAT HAS AN EXPANDED
20 NEIGHBORHOOD IMPROVEMENT ZONE.

21 (2) AN ENTITY CONTRACTING WITH OR PROVIDING SERVICES FOR
22 A CITY THAT HAS AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE.

23 (3) AN INDIVIDUAL OWNING AN ENTITY OR AN ENTITY WITH
24 OWNERSHIP INTEREST IN A SEPARATE ENTITY WHICH IS CONTRACTING
25 WITH A CITY THAT HAS AN EXPANDED NEIGHBORHOOD IMPROVEMENT
26 ZONE.

27 (4) AN INDIVIDUAL OR AN ENTITY EMPLOYED BY, CONTRACTING
28 WITH OR PROVIDING SERVICES FOR A QUALIFIED BUSINESS WITHIN
29 THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE WHICH IS PARTY TO
30 A SEPARATE AGREEMENT WITH A CONTRACTING AUTHORITY FOR THE

1 ALLOCATION OF FUNDS FROM THE CONTRACTING AUTHORITY.

2 (5) AN INDIVIDUAL OR AN ENTITY EMPLOYED BY, CONTRACTING
3 WITH OR PROVIDING SERVICES FOR AN OPERATING ORGANIZATION.

4 (6) A CURRENT BOARD MEMBER OF A CONTRACTING AUTHORITY.

5 (7) AN ENTITY THAT IS OWNED BY OR EMPLOYS A CURRENT
6 BOARD MEMBER OF A CONTRACTING AUTHORITY.

7 SECTION 13. SECTION 1903-I(A) AND (B) OF THE ACT, ADDED JULY
8 8, 2022 (P.L.513, NO.53), ARE AMENDED AND THE SECTION IS AMENDED
9 BY ADDING A SUBSECTION TO READ:

10 SECTION 1903-I. CREDIT FOR CHILD AND DEPENDENT CARE EMPLOYMENT-
11 RELATED EXPENSES.

12 (A) TAX CREDIT.--[FOR TAXABLE YEARS BEGINNING AFTER DECEMBER
13 31, 2021, A] A TAXPAYER WHO RECEIVES A CREDIT UNDER SECTION 21
14 OF THE INTERNAL REVENUE CODE OF 1986 MAY CLAIM A TAX CREDIT
15 AGAINST THE TAXPAYER'S TAX LIABILITY IN ACCORDANCE WITH THIS
16 SECTION.

17 [(B) AMOUNT OF TAX CREDIT.--THE AMOUNT OF THE TAX CREDIT
18 UNDER SUBSECTION (A) SHALL BE EQUAL TO 30% OF:

19 (1) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES
20 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX
21 CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF 1986
22 DURING THE PRIOR TAXABLE YEAR, OR THE FOLLOWING, AS
23 APPLICABLE, WHICHEVER IS LESS:

24 (I) \$3,000 FOR ONE QUALIFYING INDIVIDUAL WITH
25 RESPECT TO THE TAXPAYER; OR

26 (II) \$6,000 FOR TWO OR MORE QUALIFYING INDIVIDUALS
27 WITH RESPECT TO THE TAXPAYER; MULTIPLIED BY

28 (2) THE APPLICABLE PERCENT, WITH RESPECT TO THE
29 TAXPAYER, IN EFFECT FOR THE TAXABLE YEAR BEGINNING AFTER
30 DECEMBER 31, 2021, AND ENDING BEFORE JANUARY 1, 2023.]

1 (B.1) AMOUNT OF TAX CREDIT IN SUBSEQUENT TAX YEARS.--FOR
2 TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2021, THE AMOUNT OF
3 THE TAX CREDIT UNDER SUBSECTION (A) SHALL BE EQUAL TO THE
4 FOLLOWING:

5 (1) FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
6 2021, AND ENDING BEFORE JANUARY 1, 2023, 30% OF:

7 (I) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES
8 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX
9 CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF
10 1986 DURING THE PRIOR TAXABLE YEAR, OR THE FOLLOWING, AS
11 APPLICABLE, WHICHEVER IS LESS:

12 (A) \$3,000 FOR ONE QUALIFYING INDIVIDUAL WITH
13 RESPECT TO THE TAXPAYER; OR

14 (B) \$6,000 FOR TWO OR MORE QUALIFYING
15 INDIVIDUALS WITH RESPECT TO THE TAXPAYER; MULTIPLIED
16 BY

17 (II) THE APPLICABLE PERCENT, WITH RESPECT TO THE
18 TAXPAYER, IN EFFECT FOR THE TAXABLE YEAR BEGINNING AFTER
19 DECEMBER 31, 2021, AND ENDING BEFORE JANUARY 1, 2023.

20 (2) FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
21 2022, AND ENDING BEFORE JANUARY 1, 2024, 30% OF THE FOLLOWING
22 AMOUNTS, WHICHEVER IS LESS:

23 (I) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES
24 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX
25 CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF
26 1986 DURING THE PRIOR TAXABLE YEAR; OR

27 (II) THE FOLLOWING AMOUNTS:

28 (A) \$3,000 FOR ONE QUALIFYING INDIVIDUAL WITH
29 RESPECT TO THE TAXPAYER; OR

30 (B) \$6,000 FOR TWO OR MORE QUALIFYING

1 INDIVIDUALS WITH RESPECT TO THE TAXPAYER.

2 (3) FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
3 2023, AND ENDING BEFORE JANUARY 1, 2025, 35% OF THE FOLLOWING
4 AMOUNTS, WHICHEVER IS LESS:

5 (I) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES
6 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX
7 CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF
8 1986 DURING THE PRIOR TAXABLE YEAR; OR

9 (II) THE FOLLOWING AMOUNTS:

10 (A) \$3,500 FOR ONE QUALIFYING INDIVIDUAL WITH
11 RESPECT TO THE TAXPAYER; OR

12 (B) \$7,000 FOR TWO OR MORE QUALIFYING
13 INDIVIDUALS WITH RESPECT TO THE TAXPAYER.

14 (4) FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
15 2024, AND ENDING BEFORE JANUARY 1, 2026, 40% OF THE FOLLOWING
16 AMOUNTS, WHICHEVER IS LESS:

17 (I) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES
18 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX
19 CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF
20 1986 DURING THE PRIOR TAXABLE YEAR; OR

21 (II) THE FOLLOWING AMOUNTS:

22 (A) \$4,000 FOR ONE QUALIFYING INDIVIDUAL WITH
23 RESPECT TO THE TAXPAYER; OR

24 (B) \$8,000 FOR TWO OR MORE QUALIFYING
25 INDIVIDUALS WITH RESPECT TO THE TAXPAYER.

26 (5) FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
27 2025, AND ENDING BEFORE JANUARY 1, 2027, 45% OF THE FOLLOWING
28 AMOUNTS, WHICHEVER IS LESS:

29 (I) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES
30 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX

CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF
1986 DURING THE PRIOR TAXABLE YEAR; OR

(II) THE FOLLOWING AMOUNTS:

(A) \$4,500 FOR ONE QUALIFYING INDIVIDUAL WITH
RESPECT TO THE TAXPAYER; OR

(B) \$9,000 FOR TWO OR MORE QUALIFYING
INDIVIDUALS WITH RESPECT TO THE TAXPAYER.

(6) FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
2026, AND FOR EACH TAXABLE YEAR THEREAFTER, 50% OF THE
FOLLOWING AMOUNTS, WHICHEVER IS LESS:

(I) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES
INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX
CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF
1986 DURING THE PRIOR TAXABLE YEAR; OR

(II) THE FOLLOWING AMOUNTS:

(A) \$5,000 FOR ONE QUALIFYING INDIVIDUAL WITH
RESPECT TO THE TAXPAYER; OR

(B) \$10,000 FOR TWO OR MORE QUALIFYING
INDIVIDUALS WITH RESPECT TO THE TAXPAYER.

* * *

SECTION 14. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

ARTICLE XXIII-A

PUBLIC TRANSPORTATION TRUST FUND

SECTION 2301-A. TRANSFERS TO PUBLIC TRANSPORTATION TRUST FUND.

NOTWITHSTANDING 74 PA.C.S. § 1506(C) (1) (RELATING TO FUND),
6.4% OF THE AMOUNT COLLECTED UNDER ARTICLE II SHALL BE DEPOSITED
INTO THE PUBLIC TRANSPORTATION TRUST FUND ANNUALLY BY THE 20TH
DAY OF EACH MONTH FOR THE PRECEDING MONTH.

SECTION 2302-A. ANNUAL INCREASE.

NOTWITHSTANDING 74 PA.C.S. § 1513(D) (2) (RELATING TO

OPERATING PROGRAM), THE SECRETARY OF TRANSPORTATION MAY ADJUST
AND HOLD HARMLESS THE AMOUNT OF ANNUAL INCREASE IN LOCAL MATCH
UNDER SECTION 1513(D)(2) FOR A PERIOD OF FIVE FISCAL YEARS
BEGINNING IN FISCAL YEAR 2024-2025.

SECTION 15. SECTION 3003.3(D) OF THE ACT IS AMENDED AND THE
SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

SECTION 3003.3. UNDERPAYMENT OF ESTIMATED TAX.--* * *

(D) NOTWITHSTANDING THE PROVISIONS OF [THE PRECEDING
SUBSECTIONS,] THIS SECTION, OTHER THAN AS SET FORTH IN

SUBSECTION (D.1), INTEREST WITH RESPECT TO ANY UNDERPAYMENT OF
ANY INSTALLMENT OF ESTIMATED TAX SHALL NOT BE IMPOSED IF THE
TOTAL AMOUNT OF ALL PAYMENTS OF ESTIMATED TAX MADE ON OR BEFORE
THE LAST DATE PRESCRIBED FOR THE PAYMENT OF SUCH INSTALLMENT
EQUALS OR EXCEEDS THE AMOUNT WHICH WOULD HAVE BEEN REQUIRED TO
BE PAID ON OR BEFORE SUCH DATE IF THE ESTIMATED TAX WERE AN
AMOUNT EQUAL TO THE TAX COMPUTED AT THE RATES APPLICABLE TO THE
TAXABLE YEAR, INCLUDING ANY MINIMUM TAX IMPOSED, BUT OTHERWISE
ON THE BASIS OF THE FACTS SHOWN ON THE REPORT OF THE TAXPAYER
FOR, AND THE LAW APPLICABLE TO, THE SAFE HARBOR BASE YEAR,
ADJUSTED FOR ANY CHANGES TO SECTIONS 401, 601, 602 AND 1101
ENACTED FOR THE TAXABLE YEAR, IF A REPORT SHOWING A LIABILITY
FOR TAX WAS FILED BY THE TAXPAYER FOR THE SAFE HARBOR BASE YEAR.
IF THE TOTAL AMOUNT OF ALL PAYMENTS OF ESTIMATED TAX MADE ON OR
BEFORE THE LAST DATE PRESCRIBED FOR THE PAYMENT OF SUCH
INSTALLMENT DOES NOT EQUAL OR EXCEED THE AMOUNT REQUIRED TO BE
PAID PER THE PRECEDING SENTENCE, BUT SUCH AMOUNT IS PAID AFTER
THE DATE THE INSTALLMENT WAS REQUIRED TO BE PAID, THEN THE
PERIOD OF UNDERPAYMENT SHALL RUN FROM THE DATE THE INSTALLMENT
WAS REQUIRED TO BE PAID TO THE DATE THE AMOUNT REQUIRED TO BE
PAID PER THE PRECEDING SENTENCE IS PAID. PROVIDED, THAT IF THE

1 TOTAL TAX FOR THE SAFE HARBOR BASE YEAR EXCEEDS THE TAX SHOWN ON
2 SUCH REPORT BY TEN PER CENT OR MORE, THE TOTAL TAX ADJUSTED TO
3 REFLECT THE CURRENT TAX RATE SHALL BE USED FOR PURPOSES OF THIS
4 SUBSECTION. IN THE EVENT THAT THE TOTAL TAX FOR THE SAFE HARBOR
5 BASE YEAR EXCEEDS THE TAX SHOWN ON THE REPORT BY TEN PER CENT OR
6 MORE, INTEREST RESULTING FROM THE UTILIZATION OF SUCH TOTAL TAX
7 IN THE APPLICATION OF THE PROVISIONS OF THIS SUBSECTION SHALL
8 NOT BE IMPOSED IF, WITHIN FORTY-FIVE DAYS OF THE MAILING DATE OF
9 EACH ASSESSMENT, PAYMENTS ARE MADE SUCH THAT THE TOTAL AMOUNT OF
10 ALL PAYMENTS OF ESTIMATED TAX EQUALS OR EXCEEDS THE AMOUNT WHICH
11 WOULD HAVE BEEN REQUIRED TO BE PAID ON OR BEFORE SUCH DATE IF
12 THE ESTIMATED TAX WERE AN AMOUNT EQUAL TO THE TOTAL TAX ADJUSTED
13 TO REFLECT THE CURRENT TAX RATE. IN ANY CASE IN WHICH THE
14 TAXABLE YEAR FOR WHICH AN UNDERPAYMENT OF ESTIMATED TAX MAY
15 EXIST IS A SHORT TAXABLE YEAR, IN DETERMINING THE TAX SHOWN ON
16 THE REPORT OR THE TOTAL TAX FOR THE SAFE HARBOR BASE YEAR, THE
17 TAX WILL BE REDUCED BY MULTIPLYING IT BY THE RATIO OF THE NUMBER
18 OF INSTALLMENT PAYMENTS MADE IN THE SHORT TAXABLE YEAR TO THE
19 NUMBER OF INSTALLMENT PAYMENTS REQUIRED TO BE MADE FOR THE FULL
20 TAXABLE YEAR.

21 (D.1) WITH RESPECT TO ANY UNDERPAYMENT OF AN INSTALLMENT OF
22 ESTIMATED CORPORATE NET INCOME TAX FOR ANY TAX YEAR THAT BEGINS
23 IN TAXABLE YEAR 2025 OR 2026 BY A CORPORATION REQUIRED TO FILE A
24 COMBINED ANNUAL REPORT PURSUANT TO SECTION 403(A.1)(1), INTEREST
25 SHALL NOT BE IMPOSED IF THE TOTAL AMOUNT OF ALL PAYMENTS OF
26 ESTIMATED CORPORATE NET INCOME TAX MADE ON OR BEFORE THE LAST
27 DATE PRESCRIBED FOR THE PAYMENT OF SUCH INSTALLMENT EQUALS OR
28 EXCEEDS THE AMOUNT WHICH WOULD HAVE BEEN REQUIRED TO BE PAID ON
29 OR BEFORE SUCH DATE IF THE ESTIMATED TAX WERE AN AMOUNT EQUAL TO
30 THE COMBINED TAX SHOWN ON THE REPORTS OF ALL THE MEMBERS OF THE

1 UNITARY BUSINESS FOR THE SAFE HARBOR BASE YEAR COMPUTED AT THE
2 RATE APPLICABLE TO THE TAXABLE YEAR.

3 SECTION 15.1. SECTION 3003.8 OF THE ACT IS AMENDED BY ADDING
4 A SUBSECTION TO READ:

5 SECTION 3003.8. METHOD OF FILING.--* * *

6 (C) FOR THE PURPOSES OF THIS SECTION, THE DEPARTMENT OF
7 REVENUE SHALL MAKE TELEPHONIC FILING OR A REASONABLE ALTERNATIVE
8 AVAILABLE FOR TAXPAYERS WHO REQUEST AN EXCEPTION FROM ELECTRONIC
9 FILING DUE TO A RELIGIOUS OBJECTION OR HARDSHIP CAUSED BY A LACK
10 OF INTERNET ACCESS AND ARE GRANTED THE EXCEPTION FROM THE
11 DEPARTMENT OF REVENUE.

12 SECTION 15.2. SECTION 3003.25(A)(2) OF THE ACT, ADDED JULY
13 8, 2022 (P.L.513, NO.53), IS AMENDED AND THE SECTION IS AMENDED
14 BY ADDING A SUBSECTION TO READ:

15 SECTION 3003.25. ALLOCATION OF TAX CREDITS.--(A)
16 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE AMOUNT OF
17 TAX CREDITS THAT MAY BE AWARDED FOR TAX CREDIT PROGRAMS
18 SPECIFIED UNDER THIS SUBSECTION SHALL REMAIN AT THE AMOUNT
19 ALLOCATED FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2022, AND
20 ENDING BEFORE JULY 1, 2025:

21 * * *

22 [(2) SUBARTICLE B OF ARTICLE XVII-D.]

23 * * *

24 (A.1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE
25 AMOUNT OF TAX CREDITS THAT MAY BE AWARDED FOR THE TAX CREDIT
26 PROGRAM UNDER SUBARTICLE B OF ARTICLE XVII-D SHALL REMAIN AT THE
27 AMOUNT ALLOCATED FOR THE FISCAL YEAR BEGINNING AFTER JUNE 30,
28 2022, AND ENDING BEFORE JULY 1, 2023.

29 * * *

30 SECTION 15.3. NOTHING IN THIS ACT SHALL BE CONSTRUED TO

1 INCREASE THE RATE OF TAX IMPOSED UNDER SECTION 1102-C OF THE
2 ACT.

3 SECTION 16. THE FOLLOWING SHALL APPLY:

4 (1) THE ADDITION OF SECTION 303(A.7)(2)(I)(E) OF THE ACT
5 SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
6 2023.

7 (2) THE ADDITION OF SECTION 304(D)(4) OF THE ACT SHALL
8 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2023.

9 (3) THE AMENDMENT OF SECTION 401(3)1(A), (B) AND (T) AND
10 (5) OF THE ACT SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER
11 DECEMBER 31, 2024.

12 (4) THE ADDITION OF SECTION 401(3)1(B.2) OF THE ACT
13 SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
14 2022.

15 (5) THE ADDITION OF SECTION 403(A.1) AND (A.2) OF THE
16 ACT SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
17 2024.

18 (6) THE AMENDMENT OF SECTION 404 OF THE ACT SHALL APPLY
19 TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2024.

20 (7) THE AMENDMENT OF SECTION 407.7 OF THE ACT SHALL
21 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2023.

22 (8) THE AMENDMENT OR ADDITION OF SECTION 3003.3(D) AND
23 (D.1) OF THE ACT SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER
24 DECEMBER 31, 2024.

25 (9) THE AMENDMENT OF SECTION 3003.25(A)(2) SHALL APPLY
26 RETROACTIVELY TO FISCAL YEARS BEGINNING AFTER JUNE 30, 2023.

27 SECTION 17. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

28 (1) THE ADDITION OF SECTION 3003.8(C) OF THE ACT SHALL
29 TAKE EFFECT JANUARY 1, 2024.

30 (2) THE ADDITION OF ARTICLE XXIII-A OF THE ACT SHALL

1 TAKE EFFECT JULY 1, 2024.

2 (3) THE FOLLOWING SHALL TAKE EFFECT IN 60 DAYS:

3 (I) THE ADDITION OF SECTION 303(A.7) (2) (I) (E) OF THE
4 ACT.

5 (II) THE ADDITION OF SECTION 304(D) (4) OF THE ACT.

6 (III) THE ADDITION OF THE DEFINITIONS OF "MAINTAINS
7 A PLACE OF BUSINESS" OR "MAINTAINING A PLACE OF
8 BUSINESS," "QUALIFIED LOCATION IN THIS COMMONWEALTH" AND
9 "REPRESENTATIVE" OF SECTION 1711-D OF THE ACT.

10 (IV) THE AMENDMENT OF SECTION 1712-D(B) OF THE ACT.

11 (V) THE AMENDMENT OF SECTION 1714-D(F) (2) OF THE
12 ACT.

13 (VI) THE AMENDMENT OR ADDITION OF SECTION 1716-D(B)
14 (1), (1.3) AND (1.4) OF THE ACT.

15 (VII) THE ADDITION OF SUBARTICLE G OF ARTICLE XVII-L
16 OF THE ACT.

17 (VIII) THE AMENDMENT OF SECTION 1904-A(C) OF THE
18 ACT.

19 (IX) THE AMENDMENT OF SECTION 1905-A(A) OF THE ACT.

20 (X) THE AMENDMENT OF SECTION 1903-I(A) AND (B) OF
21 THE ACT.

22 (4) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
23 IMMEDIATELY.