

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1238 Session of 2023

INTRODUCED BY GREINER, MENTZER, ECKER, ZIMMERMAN, CONKLIN,  
BURGOS AND JAMES, MAY 24, 2023

REFERRED TO COMMITTEE ON FINANCE, MAY 24, 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 manufacturing and investment tax credit,  
11 further providing for rural growth funds, for business firms,  
12 for tax credit certificates and for claiming the tax credit.

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

15 Section 1. Sections 1824-G(a), (c) and (f), 1828-G(c), 1829-  
16 G(b) (3) and 1830-G(a) of the act of March 4, 1971 (P.L.6, No.2),  
17 known as the Tax Reform Code of 1971, are amended to read:

18 Section 1824-G. Rural growth funds.

19 (a) [Application] Applications.--

20 (1) Beginning on the effective date of this section, an  
21 application to qualify as a rural growth fund must be  
22 submitted on a form and in a manner as required by the  
23 department.

1       (2) The department shall begin accepting applications to  
2       qualify as a rural growth fund with respect to an additional  
3       \$50,000,000 of investment authority under subsection (f)(2)  
4       on October 1, 2023.

5       \* \* \*

6       (c) Review of applications.--The department shall review  
7 applications received from rural growth funds under this  
8 section. Subject to the [limitation] limitations in subsection  
9 (f), the department shall make allocations of investment  
10 authority for approved applications in the order in which the  
11 applications are received. Applications received on the same day  
12 shall be deemed to have been received simultaneously. If  
13 requests for investment authority on approved applications  
14 exceed the [limitation] limitations in subsection (f), the  
15 department shall reduce the applicable awards of the investment  
16 authority and the credit-eligible capital contributions  
17 proportionally based upon the amount of investment authority  
18 sought in the application for each approved application as  
19 necessary to not exceed the [limitation] limitations in  
20 subsection (f).

21       \* \* \*

22       (f) Limitation.--

23       (1) The department may not approve more than \$50,000,000  
24       in investment authority under this part prior to October 1,  
25       2023.

26       (2) On or after October 1, 2023, the department may not  
27       approve more than an additional \$50,000,000 in investment  
28       authority under this part.

29 Section 1828-G. Business firms.

30       \* \* \*

1 (c) Limitation.--The department may not approve more than  
2 \$30,000,000 in credit-eligible capital contributions [under this  
3 part.] with respect to awards of investment authority subject to  
4 the limitations under section 1824-G(f)(1) and not more than  
5 \$30,000,000 in credit-eligible capital contributions with  
6 respect to awards of investment authority subject to the  
7 limitations under section 1824-G(f)(2).

8 Section 1829-G. Tax credit certificates.

9 \* \* \*

10 (b) Review, recommendation and approval.--

11 \* \* \*

12 (3) In awarding tax credit certificates under this part,  
13 the department:

14 (i) [Beginning] With respect to awards of investment  
15 authority subject to the limitation under section 1824-  
16 G(f)(1), beginning with fiscal year 2020-2021, may not  
17 award tax credit certificates that would result in the  
18 utilization of more than \$6,000,000 in tax credits in any  
19 fiscal year, except for tax credits carried forward.

20 (ii) [May not award more than \$30,000,000 in tax  
21 credit certificates, in the aggregate, under this part.]  
22 With respect to awards of investment authority subject to  
23 the limitation under section 1824-G(f)(2), may not award  
24 tax credit certificates that would result in the  
25 utilization of more than \$6,000,000 in tax credits in any  
26 fiscal year, except for tax credits carried forward.

27 (iii) May not award more than \$60,000,000 in tax  
28 credit certificates, in the aggregate, under section  
29 1829-G(b)(3)(i) and (ii). The tax credit utilization  
30 limitation under subsection (b)(3)(i) may not offset the

1 tax credit utilization limitation in subsection (b) (3)  
2 (ii).

3 Section 1830-G. Claiming the tax credit.

4 (a) Presentation.--[Beginning]

5 (1) With respect to awards of investment authority  
6 subject to the limitation of section 1824-G(f) (1), beginning  
7 July 1, 2020, upon presenting a tax credit certificate to the  
8 Department of Revenue, a business firm may claim a tax credit  
9 of up to 20% of the amount awarded under section 1829-G for  
10 each of the taxable years that includes the third, fourth,  
11 fifth, sixth and seventh anniversaries of the closing date,  
12 exclusive of any tax credit amounts carried over under  
13 section 1831-G(b).

14 (2) With respect to awards of investment authority  
15 subject to the limitation of section 1824-G(f) (2), upon  
16 presenting a tax credit certificate to the Department of  
17 Revenue, a business firm may claim a tax credit of up to 20%  
18 of the amount awarded under section 1829-G for each of the  
19 taxable years that includes the third, fourth, fifth, sixth  
20 and seventh anniversaries of the closing date, exclusive of  
21 any tax credit amounts carried over under section 1831-G(b).

22 \* \* \*

23 Section 2. This act shall take effect in 60 days.