
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1177 Session of
2021

INTRODUCED BY KAUFER, ROTHMAN, PEIFER, MILLARD, RYAN, ZIMMERMAN
AND PICKETT, APRIL 14, 2021

REFERRED TO COMMITTEE ON TRANSPORTATION, APRIL 14, 2021

AN ACT

1 Establishing the Transportation Reinvestment and Improvement
2 Program and Transportation Reinvestment and Improvement
3 Program Fund; and providing for transfers.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the
8 Transportation Reinvestment and Improvement Act.

9 Section 2. Definitions.

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

13 "Department." The Department of Transportation of the
14 Commonwealth.

15 "Eligible tax." Any of the following taxes:

16 (1) Corporate net income tax, bank shares tax, personal
17 income tax paid by shareholders, members or partners of
18 Subchapter S corporations, limited liability companies,

1 partnerships or sole proprietors on income other than passive
2 activity income as defined under section 469 of the Internal
3 Revenue Code of 1986 (Public Law 99-516, 26 U.S.C. § 1 et
4 seq.).

5 (2) Sales and use tax, only to the extent the tax is
6 related to the activity of a qualified business. The term
7 includes sales and use taxes on material used for
8 construction by the qualified business and business personal
9 property to be used by the qualified business.

10 (3) The hotel occupancy tax imposed under Part V of
11 Article II of the act of March 4, 1971 (P.L.6, No.2), known
12 as the Tax Reform Code of 1971.

13 (4) Personal income tax withheld from its employees by a
14 qualified business for work performed by the qualified
15 business.

16 (5) All taxes paid to the Commonwealth, or an amount
17 equal to all of the taxes paid to the Commonwealth, related
18 to the purchase or sale of liquor, wine or malt or brewed
19 beverages by a licensee who is a qualified business.

20 "Fund." The Transportation Reinvestment and Improvement
21 Program Fund established under section 4.

22 "Office." The Office of the Budget.

23 "Program." The Transportation Reinvestment and Improvement
24 Program established under section 3.

25 "Qualified business." An entity that is awarded funding
26 through the program. The term does not include an agent, broker
27 or representative of a business.

28 Section 3. The Transportation Reinvestment and Improvement
29 Program.

30 (a) Establishment.--The Transportation Reinvestment and

1 Improvement Program is established in the department.

2 (b) Certain costs funded by program.--The department shall
3 pay up to 80% of all fees, costs and expenses for a qualified
4 business which are incident to or arise from the qualified
5 business obtaining a highway occupancy permit from the
6 department, including inspection costs and the cost of related
7 highway improvements that increased traffic or surface drainage
8 may necessitate.

9 (c) Escrow.--The money paid to a qualified business by the
10 department under subsection (b) shall be held in escrow by the
11 qualified business unencumbered and maintained by the qualified
12 business until receipt of notice under section 7(c)(2).

13 (d) Application.--The department shall prescribe the form
14 and manner to apply to become a qualified business under the
15 program.

16 Section 4. Transportation Reinvestment and Improvement Program
17 Fund.

18 (a) Establishment.--A special fund is established within the
19 State Treasury to be known as the Transportation Reinvestment
20 and Improvement Program Fund.

21 (b) Initial transfer.--The General Assembly may appropriate
22 Federal money received by the Commonwealth under the American
23 Rescue Plan Act of 2021 (Public Law 117-2, 135 Stat. 4) to the
24 fund.

25 (c) Use of money in fund.--Money in the fund is appropriated
26 on a continuing basis to the department for the purpose of
27 administering the program.

28 Section 5. Report.

29 (a) Qualified business report.--No later than June 15 in the
30 year following a qualified business's approval and June 15 of

1 each year thereafter, each qualified business shall file a
2 report with the Department of Revenue in a form or manner
3 required by the Department of Revenue which includes all of the
4 following:

5 (1) Amount of each eligible tax which was paid to the
6 Commonwealth by the qualified business in the prior calendar
7 year.

8 (2) Amount of each eligible tax refund received from the
9 Commonwealth in the prior calendar year by the qualified
10 business.

11 (b) Penalties.--

12 (1) Failure to file a timely and complete report under
13 subsection (a) may result in the imposition of a penalty of
14 the lesser of:

15 (i) 10% of all eligible tax due the taxing authority
16 in the prior calendar year; or

17 (ii) \$1,000.

18 (2) A penalty for a violation of subsection (a) shall be
19 imposed, assessed and collected by the Department of Revenue
20 under the procedures of Article II of the act of March 4,
21 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.
22 Money collected under this paragraph shall be deposited in
23 the fund.

24 Section 6. Certification.

25 By October 15 following the year of approval as a qualified
26 business, and October 15 of each year thereafter, the Department
27 of Revenue shall do the following for each qualified business
28 for the prior calendar year:

29 (1) For a qualified business which files a qualified
30 business report for the prior calendar year, determine an

1 amount by subtracting the amount of eligible tax refunds
2 received from the amount of eligible tax paid.

3 (2) Certify to the office and the State Treasurer the
4 amount calculated under paragraph (1).

5 Section 7. Transfers.

6 (a) General.--Within 10 days of receiving the certified
7 amount from the Department of Revenue under section 6, the State
8 Treasurer shall transfer an amount equal to the amount certified
9 under section 6 from the General Fund to the fund in accordance
10 with subsection (b).

11 (b) State Treasurer.--The State Treasurer shall transfer to
12 the fund the amount directed under subsection (a) until an
13 amount equal to the amounts paid to qualified businesses under
14 section 3(b), plus an additional 10% of the amount, have been
15 transferred to the fund.

16 (c) Notice.--

17 (1) Within 10 days of the last transfer under this
18 section, the office shall notify the department.

19 (2) Within 10 days of receipt of the notice under
20 paragraph (1), the department shall notify the qualified
21 business that all conditions for maintaining the money in
22 escrow have been satisfied and the money is no longer
23 required to remain in escrow.

24 Section 8. Effective date.

25 This act shall take effect in 60 days.