

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, 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

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

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows: <--

20 ~~Section 1. Section 401(3)4(c)(1) and (2) of the act of March~~
21 ~~4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are~~
22 ~~amended to read:~~

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

27 * * *

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

29 ~~4. * * *~~

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

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

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

37 ~~(III) For taxable years beginning after December 31, 2008,~~

1 ~~the greater of fifteen per cent of taxable income as determined~~
2 ~~under subclause 1 or, if applicable, subclause 2 or three~~
3 ~~million dollars (\$3,000,000);~~

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

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

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

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

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

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

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

28 ~~(XI) For taxable years beginning after December 31, 2025,~~
29 ~~seventy per cent of taxable income as determined under subclause~~
30 ~~1 or, if applicable, subclause 2; or~~

1 ~~(XII) For taxable years beginning after December 31, 2026,~~
2 ~~eighty per cent of taxable income as determined under subclause~~
3 ~~1 or, if applicable, subclause 2; or~~

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

7 * * *

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

10	Taxable Year	Carryover
11	1981	1 taxable year
12	1982	2 taxable years
13	1983-1987	3 taxable years
14	1988	2 taxable years plus
15		1 taxable year
16		starting with the
17		1995 taxable year
18	1989	1 taxable year plus
19		2 taxable years
20		starting with the
21		1995 taxable year
22	1990-1993	3 taxable years
23		starting with the
24		1995 taxable year
25	1994	1 taxable year
26	1995-1997	10 taxable years
27	1998 and thereafter	20 taxable years

28 ~~(B) The earliest net loss shall be carried over to the~~
29 ~~earliest taxable year to which it may be carried under this~~
30 ~~schedule. The total net loss deduction allowed in any taxable~~

1 ~~year shall not exceed:~~

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

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

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

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

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

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

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

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

30 ~~(IX) Fifty per cent of taxable income as determined under~~

1 ~~subclause 1 or, if applicable, subclause 2 for taxable years~~
2 ~~beginning after December 31, 2023.~~

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

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

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

12 * * *

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

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

16 ~~(b) The annual rate of tax on corporate net income imposed~~
17 ~~by subsection (a) for taxable years beginning for the calendar~~
18 ~~year or fiscal year on or after the dates set forth shall be as~~
19 ~~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,	

1 through December
2 31, 2025 ~~[7.99%]~~ 5.99%
3 January 1, 2026,
4 ~~[through December~~
5 ~~31, 2026]~~ and each ~~[7.49%]~~ 4.99%
6 ~~taxable year~~
7 ~~thereafter~~
8 ~~[January 1, 2027,~~
9 ~~through December~~
10 ~~31, 2027~~ ~~6.99%~~
11 January 1, 2028,
12 ~~through December~~
13 ~~31, 2028~~ ~~6.49%~~
14 January 1, 2029,
15 ~~through December~~
16 ~~31, 2029~~ ~~5.99%~~
17 January 1, 2030,
18 ~~through December~~
19 ~~31, 2030~~ ~~5.49%~~
20 January 1, 2031, and
21 ~~each taxable year~~
22 ~~thereafter~~ ~~4.99%]~~

23 * * *

24 Section 3. Section 407.7 of the act is amended to read:

25 Section 407.7. Manufacturing Innovation and Reinvestment

26 Deduction. (a) In order to be eligible to receive a

27 manufacturing innovation and reinvestment deduction, a taxpayer

28 must demonstrate to the department a private capital investment

29 in excess of ~~[sixty million dollars (\$60,000,000)]~~ fifty million

30 dollars (\$50,000,000) for the creation of new or refurbished

1 manufacturing capacity within ~~[three years of a designated start~~
2 ~~date] the applicable time period specified in subsection (b).~~

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

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

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

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

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

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

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

1 ~~(4) For a private capital investment greater than two~~
2 ~~hundred fifty million one dollars (\$250,000,001) and less than~~
3 ~~three hundred fifty million dollars (\$350,000,000), the~~
4 ~~following shall apply:~~

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

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

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

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

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

30 ~~(2) The number of new jobs created during construction of~~

1 ~~the project.~~

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

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

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

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

10 ~~(d)~~

11 ~~(1.1) If the private capital investment is in excess of~~
12 ~~sixty million dollars (\$60,000,000), but not more than one~~
13 ~~hundred million dollars (\$100,000,000), the maximum allowable~~
14 ~~deduction shall be equal to thirty seven and one half per cent~~
15 ~~of the private capital investment utilized in the creation of~~
16 ~~new or refurbished manufacturing capacity. A taxpayer may~~
17 ~~utilize the deduction in an amount not to exceed seven and one~~
18 ~~half per cent of the private capital investment utilized in the~~
19 ~~creation of new or refurbished manufacturing capacity in any one~~
20 ~~year of the succeeding ten tax years immediately following the~~
21 ~~department's satisfaction determination and the execution of a~~
22 ~~satisfaction commitment letter, up to the maximum allowable~~
23 ~~deduction. This paragraph shall only apply to applications made~~
24 ~~prior to January 1, 2024.~~

25 ~~(1.2) If [the] a taxpayer's private capital investment for a~~
26 ~~project exceeds [one hundred million dollars (\$100,000,000)]~~
27 ~~fifty million dollars (\$50,000,000), the maximum allowable~~
28 ~~deduction shall be equal to twenty five per cent of the private~~
29 ~~capital investment utilized in the creation of new or~~
30 ~~refurbished manufacturing capacity. A taxpayer may utilize the~~

1 ~~deduction in an amount not to exceed five per cent of the~~
2 ~~private capital investment utilized in the creation of new or~~
3 ~~refurbished manufacturing capacity in any one year of the~~
4 ~~succeeding ten tax years immediately following the department's~~
5 ~~satisfaction determination and the execution of a satisfaction~~
6 ~~commitment letter, up to the maximum allowable deduction.~~

7 ~~(1.3) If a taxpayer executes a satisfaction commitment~~
8 ~~letter for more than two concurrent projects with a total~~
9 ~~private capital investment exceeding five hundred million~~
10 ~~dollars (\$500,000,000), the maximum allowable deduction for any~~
11 ~~succeeding project shall be equal to twenty five per cent of the~~
12 ~~private capital investment utilized in the creation of new or~~
13 ~~refurbished manufacturing capacity. A taxpayer may utilize the~~
14 ~~deduction in an amount not to exceed five per cent of the~~
15 ~~private capital investment utilized in the creation of new or~~
16 ~~refurbished manufacturing capacity in any one year of the~~
17 ~~succeeding twenty tax years immediately following the~~
18 ~~department's satisfaction determination and the execution of a~~
19 ~~satisfaction commitment letter, up to the maximum allowable~~
20 ~~deduction.~~

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

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

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

29 SECTION 1. SECTIONS 303(A.7)(2)(I) AND 304(D) OF THE ACT OF <--
30 MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF

1 1971, ARE AMENDED BY ADDING CLAUSES TO READ:

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

3 (A.7) THE FOLLOWING APPLY:

4 * * *

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

7 * * *

8 (E) AMOUNTS PAID OR INCURRED BY AN EMPLOYER OF AN EMPLOYEE
9 FOR DEPENDENT CARE ASSISTANCE PROVIDED TO THE EMPLOYEE THAT ARE
10 EXCLUDABLE UNDER SECTION 129 OF THE INTERNAL REVENUE CODE OF
11 1986, AS AMENDED.

12 * * *

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

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

16 * * *

17 (4) THE POVERTY INCOME AMOUNTS UNDER CLAUSE (1) SHALL BE
18 INCREASED BY AN ANNUAL COST-OF-LIVING ADJUSTMENT CALCULATED BY
19 APPLYING THE PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR
20 ALL URBAN CONSUMERS (CPI-U) FOR THE PENNSYLVANIA, NEW JERSEY,
21 DELAWARE AND MARYLAND AREA, FOR THE MOST RECENT TWELVE-MONTH
22 PERIOD FOR WHICH FIGURES HAVE BEEN OFFICIALLY REPORTED BY THE
23 UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS
24 IMMEDIATELY PRIOR TO THE DATE THE ADJUSTMENT IS DUE TO TAKE
25 EFFECT, TO THE THEN CURRENT POVERTY INCOME AMOUNTS. THE
26 DEPARTMENT SHALL DETERMINE THE PERCENTAGE INCREASE AND THE NEW
27 POVERTY INCOME AMOUNTS PRIOR TO THE ANNUAL EFFECTIVE DATE OF THE
28 ADJUSTMENT AND SHALL TRANSMIT NOTICE TO THE LEGISLATIVE
29 REFERENCE BUREAU FOR PUBLICATION IN THE PENNSYLVANIA BULLETIN
30 WITHIN TEN DAYS OF THE DATE THE DETERMINATION IS MADE. THE

1 POVERTY INCOME AMOUNTS MAY NOT BE DECREASED AS A RESULT OF A
2 NEGATIVE PERCENTAGE CHANGE IN THE CPI-U FOR THE PENNSYLVANIA,
3 NEW JERSEY, DELAWARE AND MARYLAND AREA.

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

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

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

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

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

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

30 * * *

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

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

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

7 * * *

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

20 * * *

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

25 * * *

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

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

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

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

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

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

29 (3) THE ADJUSTMENT REQUIRED BY PARAGRAPH (1) SHALL NOT APPLY
30 TO A TRANSACTION BETWEEN A TAXPAYER AND AN AFFILIATED ENTITY

1 DOMICILED IN A FOREIGN NATION WHICH HAS IN FORCE A COMPREHENSIVE
2 INCOME TAX TREATY WITH THE UNITED STATES PROVIDING FOR THE
3 ALLOCATION OF ALL CATEGORIES OF INCOME SUBJECT TO TAXATION, OR
4 THE WITHHOLDING OF TAX, ON ROYALTIES, LICENSES, FEES AND
5 INTEREST FOR THE PREVENTION OF DOUBLE TAXATION OF THE RESPECTIVE
6 NATIONS' RESIDENTS AND THE SHARING OF INFORMATION.

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

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

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

28 (A) DIVISION OF INCOME.

29 * * *

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

1 * * *

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

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

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

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

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

1 NONBUSINESS INCOME OR LOSS ALLOCATED TO THIS STATE, MINUS THE
2 MEMBER'S NET LOSS DEDUCTION.

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

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

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

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

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

27 * * *

28 4. * * *

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

30 (A) (I) FOR TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 2007,

1 TWO MILLION DOLLARS (\$2,000,000);

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

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

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

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

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

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

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

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

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

4 (XI) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2025,
5 SEVENTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE
6 1 OR, IF APPLICABLE, SUBCLAUSE 2; OR

7 (XII) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2026,
8 EIGHTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE
9 1 OR, IF APPLICABLE, SUBCLAUSE 2; OR

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

13 * * *

14 (2) (A) A NET LOSS FOR A TAXABLE YEAR MAY ONLY BE CARRIED
15 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

1	1994	1 TAXABLE YEAR
2	1995-1997	10 TAXABLE YEARS
3	1998 AND THEREAFTER	20 TAXABLE YEARS

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

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

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

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

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

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

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

30 (VII) THIRTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED

1 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE
2 YEARS BEGINNING AFTER DECEMBER 31, 2017.

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

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

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

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

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

18 * * *

19 (H) SUBJECT TO THE LIMITATIONS OF THIS SUBCLAUSE, ANY MEMBER
20 OF A UNITARY BUSINESS THAT HAS UNUSED NET LOSS FROM TAXABLE
21 YEARS THAT BEGAN PRIOR TO JANUARY 1, 2025, OR THAT GENERATES NET
22 LOSSES WHILE A MEMBER OF A UNITARY BUSINESS MAY ONLY TAKE THE
23 NET LOSS DEDUCTION FOR TAXABLE YEARS BEGINNING AFTER DECEMBER
24 31, 2023, TO THE EXTENT OF THE MEMBER'S SHARE OF COMBINED
25 UNITARY INCOME AFTER APPORTIONMENT AND THE NET LOSSES MAY NOT BE
26 USED BY OTHER MEMBERS OF THE SAME UNITARY BUSINESS.

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

30 * * *

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

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

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

29 * * *

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

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

1 (EE) NAURU.
2 (FF) THE NETHERLANDS.
3 (GG) NIUE.
4 (HH) PANAMA.
5 (II) SABA.
6 (JJ) SAMOA.
7 (KK) SAN MARINO.
8 (LL) SEYCHELLES.
9 (MM) SINGAPORE.
10 (NN) ST. EUSTATIUS.
11 (OO) ST. KITTS AND NEVIS.
12 (PP) ST. LUCIA.
13 (QQ) ST. MAARTEN.
14 (RR) ST. VINCENT AND THE GRENADINES.
15 (SS) SWITZERLAND.
16 (TT) TURKS AND CAICOS ISLANDS.
17 (UU) VANUATU.
18 (VV) A JURISDICTION THAT IS IDENTIFIED AS A TAX HAVEN BY THE
19 ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT.
20 (13) "UNITARY BUSINESS." A SINGLE ECONOMIC ENTERPRISE THAT
21 IS MADE UP OF SEPARATE PARTS OF A SINGLE CORPORATION, OF A
22 COMMONLY CONTROLLED GROUP OF CORPORATIONS, OR BOTH, THAT ARE
23 SUFFICIENTLY INTERDEPENDENT, INTEGRATED AND INTERRELATED THROUGH
24 THEIR ACTIVITIES SO AS TO PROVIDE A SYNERGY AND MUTUAL BENEFIT
25 THAT PRODUCES A SHARING OR EXCHANGE OF VALUE AMONG THEM AND A
26 FLOW OF VALUE TO THE SEPARATE PARTS. A UNITARY BUSINESS INCLUDES
27 ALL THOSE PARTS AND CORPORATIONS THAT ARE INCLUDED IN A UNITARY
28 BUSINESS UNDER THE CONSTITUTION OF THE UNITED STATES.
29 (14) "WATER'S-EDGE BASIS." A SYSTEM OF REPORTING THAT
30 INCLUDES THE INCOME AND APPORTIONMENT FACTORS OF CERTAIN MEMBERS

1 OF A UNITARY BUSINESS, DESCRIBED AS FOLLOWS:

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

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

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

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

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

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

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

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

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

1 FACTORS RELATED THERETO.

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

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

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

1 OWNED BY A COMMON OWNER OR BY COMMON OWNERS, EITHER CORPORATE OR
2 NONCORPORATE, OR BY ONE OR MORE OF THE MEMBER CORPORATIONS OF
3 THE GROUP.

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

7 (A) INCOME FROM AN INTERCOMPANY TRANSACTION BETWEEN MEMBERS
8 OF A UNITARY BUSINESS SHALL BE DEFERRED IN A MANNER SIMILAR TO
9 26 CFR 1.1502-13 (RELATING TO INTERCOMPANY TRANSACTIONS) FOR
10 FEDERAL TAXABLE INCOME PURPOSES.

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

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

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

17 (II) ANY MEMBER SPECIFIED IN THE DEFINITION OF "INSTITUTION"
18 IN SECTION 701.5 THAT WOULD BE SUBJECT TO TAXATION UNDER ARTICLE
19 VII, WERE IT DOING BUSINESS IN THIS STATE, AS DEFINED IN SECTION
20 701.5;

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

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

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

1 OR
 2 (VI) ANY MEMBER THAT IS A SMALL CORPORATION AS DEFINED IN
 3 SECTION 301(S.2) EXCEPT TO THE EXTENT OF SUCH SMALL
 4 CORPORATION'S NET RECOGNIZED BUILT-IN GAIN TO THE EXTENT OF AND
 5 AS DETERMINED FOR FEDERAL INCOME TAX PURPOSES UNDER 26 U.S.C. §
 6 1374(D)(2) (RELATING TO TAX IMPOSED ON CERTAIN BUILT-IN GAINS).
 7 (17) "MEMBER." A CORPORATION THAT IS A MEMBER OF A UNITARY
 8 BUSINESS. THE TERM DOES NOT INCLUDE A CORPORATION LISTED IN
 9 CLAUSE (15)(C).

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

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

13 (B) THE ANNUAL RATE OF TAX ON CORPORATE NET INCOME IMPOSED
 14 BY SUBSECTION (A) FOR TAXABLE YEARS BEGINNING FOR THE CALENDAR
 15 YEAR OR FISCAL YEAR ON OR AFTER THE DATES SET FORTH SHALL BE AS
 16 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,	

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

20 * * *

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

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

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

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

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

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

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

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

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

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

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

26 * * *

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

29 SECTION 404. CONSOLIDATED REPORTS.--THE DEPARTMENT SHALL NOT
30 PERMIT ANY CORPORATION OWNING OR CONTROLLING, DIRECTLY OR

1 INDIRECTLY, ANY OF THE VOTING CAPITAL STOCK OF ANOTHER
2 CORPORATION OR OF OTHER CORPORATIONS, SUBJECT TO THE PROVISIONS
3 OF THIS ARTICLE, TO MAKE A CONSOLIDATED REPORT[, SHOWING THE
4 COMBINED NET INCOME].

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

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

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

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

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

30 (3) FOR A PRIVATE CAPITAL INVESTMENT GREATER THAN ONE

1 HUNDRED FIFTY MILLION ONE DOLLARS (\$150,000,001) AND LESS THAN
2 TWO HUNDRED FIFTY MILLION DOLLARS (\$250,000,000), THE FOLLOWING
3 SHALL APPLY:

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

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

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

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

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

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

27 (C) UPON THE RECEIPT OF THE TAXPAYER'S APPLICATION, THE
28 DEPARTMENT OF REVENUE [MUST] SHALL MAKE A FINDING [THAT] WHETHER
29 THE APPLICANT HAS FILED ALL REQUIRED STATE TAX REPORTS AND
30 RETURNS FOR ALL APPLICABLE TAX YEARS AND PAID ANY BALANCE OF

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

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

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

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

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

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

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

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

1 SATISFACTION COMMITMENT LETTER, UP TO THE MAXIMUM ALLOWABLE
2 DEDUCTION. THIS PARAGRAPH SHALL ONLY APPLY TO APPLICATIONS MADE
3 PRIOR TO JANUARY 1, 2024.

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

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

30 (3) A TAXPAYER CANNOT USE THE DEDUCTION TO REDUCE [ITS] THE

1 TAXPAYER'S TAX LIABILITY BY MORE THAN FIFTY PER CENT OF THE TAX
2 LIABILITY UNDER THIS ARTICLE FOR THE TAXABLE YEAR. THE DEDUCTION
3 IS NONTRANSFERABLE AND ANY UNUSED PORTION IN A TAX YEAR SHALL
4 EXPIRE AT THE END OF THE CORRESPONDING TAX YEAR.

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

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

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

10 (1) FOR EACH FISCAL YEAR BEGINNING AFTER JUNE 30, 2019, AND
11 ENDING PRIOR TO JULY 1, 2023, FORTY MILLION DOLLARS
12 (\$40,000,000).

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

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

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

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

21 (6) FOR THE FISCAL YEAR BEGINNING JULY 1, 2026, AND EACH
22 FISCAL YEAR THEREAFTER, ONE HUNDRED MILLION DOLLARS
23 (\$100,000,000).

24 * * *

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

27 SECTION 1701-A.1. DEFINITIONS.

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

1 * * *

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

4 (1) ARTICLE XVII-B.

5 (2) ARTICLE XVII-D.

6 (3) ARTICLE XVII-E.

7 (4) ARTICLE XVII-G.

8 (5) ARTICLE XVII-H.

9 (6) ARTICLE XVII-I.

10 (7) ARTICLE XVII-J.

11 (8) ARTICLE XVII-K.

12 (8.1) ARTICLE XVII-L.

13 (9) ARTICLE XVIII.

14 (10) ARTICLE XVIII-B.

15 (11) ARTICLE XVIII-D.

16 (12) ARTICLE XVIII-E.

17 (13) ARTICLE XVIII-F.

18 (14) ARTICLE XVIII-G.

19 (14.1) ARTICLE XVIII-H.

20 (15) ARTICLE XIX-A.

21 (15.1) ARTICLE XIX-C.

22 (16) ARTICLE XIX-E.

23 (16.1) ARTICLE XIX-F.

24 (17) SECTION 2010.

25 [(19) ARTICLE XX-B OF THE ACT OF MARCH 10, 1949 (P.L.30,
26 NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949.]

27 (20) THE ACT OF DECEMBER 1, 2004 (P.L.1750, NO.226),
28 KNOWN AS THE FIRST CLASS CITIES ECONOMIC DEVELOPMENT DISTRICT
29 ACT.

30 (21) 12 PA.C.S. CH. 34 (RELATING TO INFRASTRUCTURE AND

1 FACILITIES IMPROVEMENT PROGRAM) .

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

6 * * *

7 SECTION 8. (RESERVED) .

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

10 SECTION 1711-D. DEFINITIONS.

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

14 * * *

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

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

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

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

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

1 OR ENTITIES DOING BUSINESS IN THIS COMMONWEALTH.

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

6 * * *

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

9 (1) A COUNTY OF THE FIRST CLASS.

10 (2) A COUNTY OF THE SECOND CLASS.

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

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

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

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

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

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

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

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

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

28 * * *

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

1 (1) IS AUTHORIZED TO COMMUNICATE WITH THE DEPARTMENT ON
2 BEHALF OF A TAXPAYER REGARDING AN APPLICATION SUBMITTED UNDER
3 SECTION 1712-D.

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

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

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

9 * * *

10 SECTION 10. SECTION 1712-D(B) OF THE ACT, AMENDED JULY 8,
11 2022 (P.L.513, NO.53), IS AMENDED TO READ:

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

14 * * *

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

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

21 (2) THE ANTICIPATED NUMBER OF PENNSYLVANIA EMPLOYEES.

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

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

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

1 (5.1) FOR A PENNSYLVANIA FILM PRODUCER, THE PORTION OF
2 ALL PREPRODUCTION EXPENSES, PRODUCTION EXPENSES AND
3 POSTPRODUCTION EXPENSES INCURRED IN PENNSYLVANIA.

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

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

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

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

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

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

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

30 (7.4) THE TAXPAYER APPLYING FOR CREDITS IS A MINORITY-

1 OWNED BUSINESS OR WOMEN-OWNED BUSINESS, AS THOSE TERMS ARE
2 DEFINED IN 74 PA.C.S. § 303(B) (RELATING TO DIVERSE BUSINESS
3 PARTICIPATION).

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

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

15 * * *

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

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

19 * * *

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

22 * * *

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

27 * * *

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

1 SECTION 1716-D. LIMITATIONS.

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

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

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

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

16 * * *

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

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

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

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

30 (II) FILMS IN A QUALIFIED PRODUCTION FACILITY WHICH

1 MEETS THE MINIMUM STAGE FILMING REQUIREMENTS.

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

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

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

12 (II) IS A MINORITY-OWNED BUSINESS OR WOMEN-OWNED
13 BUSINESS AS THOSE TERMS ARE DEFINED IN 74 PA.C.S. §
14 303(B) (RELATING TO DIVERSE BUSINESS PARTICIPATION).

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

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

28 * * *

29 (E) PENNSYLVANIA FILM PRODUCER RESERVE.--THE DEPARTMENT
30 SHALL ANNUALLY RESERVE AND ALLOCATE [**\$5,000,000**] 10% OF THE TAX

1 CREDITS AUTHORIZED UNDER THIS SUBARTICLE IN SUPPORT OF PROJECTS
2 PRODUCED BY A PENNSYLVANIA FILM PRODUCER. A PENNSYLVANIA FILM
3 PRODUCER SHALL NOT BE LIMITED IN ELIGIBILITY FOR A TAX CREDIT
4 SOLELY TO THE PENNSYLVANIA FILM PRODUCER RESERVE IN ANY FISCAL
5 YEAR. THE FOLLOWING APPLY:

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

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

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

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

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

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

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

1 AND PERMANENT JOBS.

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

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

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

15 SECTION 1799.12-L. ELIGIBILITY.

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

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

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

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

26 (A) (RESERVED).

27 (B) APPLICATION.--

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

30 (2) THE APPLICATION MUST BE SUBMITTED TO THE DEPARTMENT

1 BY MARCH 1 FOR THE TAX CREDIT CLAIMED BY THE QUALIFIED
2 TAXPAYER AT THE PROJECT FACILITY DURING THE PRIOR CALENDAR
3 YEAR.

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

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

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

10 (C) REVIEW AND APPROVAL.--

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

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

17 (D) AVAILABILITY OF TAX CREDITS.--

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

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

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

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

1 FACILITY AND PLACE THE PROJECT FACILITY INTO SERVICE IN THIS
2 COMMONWEALTH.

3 SECTION 1799.14-L. USE OF TAX CREDITS.

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

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

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

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

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

19 SECTION 1799.16-L. SALE OR ASSIGNMENT.

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

25 (B) APPLICATION.--

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

30 (2) IN ORDER TO APPROVE AN APPLICATION, THE DEPARTMENT

1 SHALL RECEIVE ALL OF THE FOLLOWING:

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

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

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

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

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

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

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

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

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

1 (C) RESALE AND ASSIGNMENT.--

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

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

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

10 SECTION 1799.18-L. PASS-THROUGH ENTITY.

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

17 (B) LIMITATION.--THE SAME UNUSED TAX CREDIT UNDER SUBSECTION

18 (A) MAY NOT BE CLAIMED BY:

19 (1) THE PASS-THROUGH ENTITY; AND

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

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

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

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

30 SECTION 1799.19-L. (RESERVED).

1 SECTION 1799.20-L. GUIDELINES AND REGULATIONS.

2 THE DEPARTMENT SHALL DEVELOP WRITTEN GUIDELINES FOR THE
3 IMPLEMENTATION OF THIS SUBARTICLE. THE GUIDELINES SHALL BE IN
4 EFFECT UNTIL THE DEPARTMENT PROMULGATES REGULATIONS FOR THE
5 IMPLEMENTATION OF THE PROVISIONS OF THIS SUBARTICLE.

6 SECTION 1799.21-L. REPORT TO GENERAL ASSEMBLY.

7 (A) REPORT.--

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

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

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

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

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

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

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

1 (II) THE TOTAL NUMBER OF NEW JOBS AND PERMANENT JOBS
2 CREATED BY QUALIFIED TAXPAYERS DURING THE FISCAL YEAR,
3 INCLUDING THE DURATION OF THE JOBS.

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

9 SECTION 1799.22-L. APPLICABILITY.

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

13 (B) LIMITATION.--THE TOTAL AGGREGATE AMOUNT OF TAX CREDITS
14 AWARDED BY THE DEPARTMENT UNDER THIS SUBARTICLE MAY NOT EXCEED
15 \$120,000,000.

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

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

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

23 * * *

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

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

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

14 * * *

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

17 ARTICLE XIX-B.1

18 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONES

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

20 THIS ARTICLE RELATES TO EXPANDED NEIGHBORHOOD IMPROVEMENT
21 ZONES.

22 SECTION 1902-B.1. DEFINITIONS.

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

26 "AFFORDABLE HOUSING." AS FOLLOWS:

27 (1) HOUSING IN WHICH THE OCCUPANT IS PAYING NO MORE THAN
28 30% OF GROSS INCOME FOR HOUSING COSTS, INCLUDING UTILITIES.

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

1 "BONDS." INCLUDES NOTES, INSTRUMENTS, REFUNDING NOTES AND
2 BONDS AND OTHER EVIDENCES OF INDEBTEDNESS OR OBLIGATIONS.

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

6 "CITY." A CITY WITH A POPULATION OF BETWEEN 94,000 AND
7 96,000, BASED ON THE 2020 FEDERAL DECENNIAL CENSUS, LOCATED IN A ◀
8 COUNTY OF THE THIRD CLASS WHICH IS NOT A HOME RULE COUNTY.

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

16 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

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

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

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

1 "FUND." THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE FUND
2 ESTABLISHED UNDER SECTION 1904-B.1.

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

5 (1) THE LEGAL BUSINESS NAMES, PRINCIPAL BUSINESS
6 ADDRESSES WITHIN AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE
7 AND PARCEL NUMBERS OF ALL QUALIFIED BUSINESSES WHICH ARE
8 REQUIRED TO FILE REPORTS FOR THE CALENDAR YEAR UNDER SECTION
9 1904-B.1(B)(1).

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

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

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

19 (1) OWNS A PROFESSIONAL SPORTS FRANCHISE.

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

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

29 SECTION 1903-B.1. FACILITY.

30 A CONTRACTING AUTHORITY MAY:

1 (1) DESIGNATE AN EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE
2 OF NOT GREATER THAN 130 ACRES IN WHICH A FACILITY MAY BE
3 CONSTRUCTED.

4 (2) BORROW MONEY FOR THE PURPOSE OF:

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

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

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

11 (A) FUND AND ACCOUNTS.--

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

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

23 (B) CERTIFICATION.--

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

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

30 (II) LISTS EACH STATE TAX REFUND WHICH COMPLIES WITH

1 ALL OF THE FOLLOWING:

2 (A) THE REFUND IS FOR A TAX:

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

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

5 (B) THE REFUND WAS RECEIVED IN THE PRIOR

6 CALENDAR YEAR BY THE QUALIFIED BUSINESS.

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

8 DEPARTMENT.

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

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

17 (A) THE PENALTY IMPOSED SHALL NOT BE LESS THAN
18 \$1,000.

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

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

1 \$250.

2 (II) FAILURE TO REPORT A QUALIFIED BUSINESS

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

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

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

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

27 (A) THE PENALTY IMPOSED SHALL NOT BE LESS THAN
28 \$1,000.

29 (B) IF THE QUALIFIED BUSINESS IS PROPERLY
30 INCLUDED ON THE MASTER LIST PROVIDED UNDER SUBSECTION

1 (D), THE CONTRACTING AUTHORITY MAY WAIVE OR ABATE
2 PENALTIES IMPOSED UNDER THIS SUBPARAGRAPH EQUAL TO
3 THE TOTAL TAXES PAID BY THE QUALIFIED BUSINESS WHICH
4 ARE CERTIFIED UNDER SUBSECTION (E).

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

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

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

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

30 (II) THE REPORT SHALL BE IN A FORM AND MANNER

1 REQUIRED BY THE DEPARTMENT.

2 (C) TRANSITION.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (D) MASTER LIST.--

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

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

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

29 (2) FOR PURPOSES OF INCLUSION ON THE MASTER LIST, WITHIN
30 FIVE DAYS OF THE END OF EACH MONTH DURING A CALENDAR YEAR, AN

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

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

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

18 (E) CALCULATION.--

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

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

1 UNDER SUBSECTION (B) (1) IN THE PRIOR CALENDAR YEAR, AND THE
2 DEPARTMENT SHALL CERTIFY THE AMOUNTS RECEIVED TO THE OFFICE
3 OF THE BUDGET.

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

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

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

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

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

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

1 (A) ALL PERSONAL INCOME TAX, EARNED INCOME TAX
2 AND LOCAL SERVICES TAX WITHHELD FROM EMPLOYEES BY A
3 PROFESSIONAL SPORTS ORGANIZATION CONDUCTING
4 PROFESSIONAL ATHLETIC EVENTS AT THE FACILITY.

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

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

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

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

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

30 (VI) AN AMOUNT EQUAL TO ALL PERSONAL INCOME TAX,

1 EARNED INCOME TAX AND LOCAL SERVICES TAX WITHHELD FROM
2 PERSONNEL BY THE PROFESSIONAL SPORTS ORGANIZATION OR BY A
3 CONTRACTOR OR OTHER ENTITY INVOLVED IN THE CONSTRUCTION
4 OF THE FACILITY.

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

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

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

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

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

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

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

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

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

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

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

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

1 OF ANY TAX ON ADMISSIONS TO PLACES OF ENTERTAINMENT,
2 EXHIBITION OR AMUSEMENT OR UPON ATHLETIC EVENTS IN
3 THE EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE WHICH ARE
4 NOT IN EFFECT ON THE DATE THE EXPANDED NEIGHBORHOOD
5 IMPROVEMENT ZONE IS DESIGNATED BY THE CONTRACTING
6 AUTHORITY.

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

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

24 (1) THE PROPERTY FACTOR IS A FRACTION, THE NUMERATOR OF
25 WHICH IS THE AVERAGE VALUE OF THE TAXPAYER'S REAL AND
26 TANGIBLE PERSONAL PROPERTY OWNED OR RENTED AND USED IN THE
27 EXPANDED NEIGHBORHOOD IMPROVEMENT ZONE DURING THE TAX PERIOD
28 AND THE DENOMINATOR OF WHICH IS THE AVERAGE VALUE OF ALL THE
29 TAXPAYER'S REAL AND TANGIBLE PERSONAL PROPERTY OWNED OR
30 RENTED AND USED IN THIS COMMONWEALTH DURING THE TAX PERIOD

1 BUT SHALL NOT INCLUDE THE SECURITY INTEREST OF ANY
2 CORPORATION AS SELLER OR LESSOR IN PERSONAL PROPERTY SOLD OR
3 LEASED UNDER A CONDITIONAL SALE, BAILMENT LEASE, CHATTEL
4 MORTGAGE OR OTHER CONTRACT PROVIDING FOR THE RETENTION OF A
5 LIEN OR TITLE AS SECURITY FOR THE SALE PRICE OF THE PROPERTY.

6 (2) THE FOLLOWING APPLY:

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

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

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

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

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

1 OF THE SERVICE IS PERFORMED, BUT THE PERSON'S
2 RESIDENCE IS IN THE EXPANDED NEIGHBORHOOD IMPROVEMENT
3 ZONE.

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

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

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

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

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

26 (G) TRANSFERS.--

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

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

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

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

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

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

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

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

30 (H) RESTRICTION ON USE OF MONEY.--MONEY TRANSFERRED UNDER

1 SUBSECTION (G) IS SUBJECT TO THE FOLLOWING:

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

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

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

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

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

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

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

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

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

1 (1) THE MONEY DEPOSITED UNDER THIS SUBSECTION MAY NOT BE
2 ENCUMBERED FOR ANY REASON AND SHALL BE TRANSFERRED TO THE
3 ENTITY FOR CAPITAL REPAIR AND IMPROVEMENT PROJECTS UPON
4 REQUEST FROM THE ENTITY.

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

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

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

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

1 (K) AUDIT.--

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

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

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

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

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

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

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

24 SECTION 1905-B.1. TAXES.

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

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

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

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

13 SECTION 1906-B.1. PROPERTY ASSESSMENT.

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

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

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

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

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

7 (B) PUBLIC HEARING.--

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

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

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

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

1 POLITICAL SUBDIVISIONS. THE DEPARTMENT OF COMMUNITY AND ECONOMIC
2 DEVELOPMENT SHALL ACT ON THE APPLICATION WITHIN 30 DAYS.

3 SECTION 1909-B.1. DURATION.

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

10 SECTION 1910-B.1. COMMONWEALTH PLEDGES.

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

1 ANY GOVERNMENT ENTITY TO CHANGE THE RATE, TAX BASES OR ANY
2 SUBJECT OF ANY SPECIFIC TAX OR REPEALING OR ENACTING ANY TAX.
3 SECTION 1911-B.1. CONFIDENTIALITY.

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

15 SECTION 1912-B.1. EXCEPTIONS.

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

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

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

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

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

1 A SEPARATE AGREEMENT WITH A CONTRACTING AUTHORITY FOR THE
2 ALLOCATION OF FUNDS FROM THE CONTRACTING AUTHORITY.

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

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

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

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

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

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

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

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

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

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

29 (2) THE APPLICABLE PERCENT, WITH RESPECT TO THE
30 TAXPAYER, IN EFFECT FOR THE TAXABLE YEAR BEGINNING AFTER

1 DECEMBER 31, 2021, AND ENDING BEFORE JANUARY 1, 2023.]

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

6 (1) FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
7 2021, AND ENDING BEFORE JANUARY 1, 2023, 30% OF:

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

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

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

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

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

24 (I) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES
25 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX
26 CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF
27 1986 DURING THE PRIOR TAXABLE YEAR; OR

28 (II) THE FOLLOWING AMOUNTS:

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

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

2 INDIVIDUALS WITH RESPECT TO THE TAXPAYER.

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

6 (I) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES
7 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX
8 CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF
9 1986 DURING THE PRIOR TAXABLE YEAR; OR

10 (II) THE FOLLOWING AMOUNTS:

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

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

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

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

22 (II) THE FOLLOWING AMOUNTS:

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

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

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

30 (I) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES

1 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX
2 CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF
3 1986 DURING THE PRIOR TAXABLE YEAR; OR

4 (II) THE FOLLOWING AMOUNTS:

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

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

9 (6) FOR THE TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
10 2026, AND FOR EACH TAXABLE YEAR THEREAFTER, 50% OF THE
11 FOLLOWING AMOUNTS, WHICHEVER IS LESS:

12 (I) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES
13 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX
14 CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF
15 1986 DURING THE PRIOR TAXABLE YEAR; OR

16 (II) THE FOLLOWING AMOUNTS:

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

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

21 * * *

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

23 ARTICLE XXIII-A

24 PUBLIC TRANSPORTATION TRUST FUND

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

26 NOTWITHSTANDING 74 PA.C.S. § 1506(C) (1) (RELATING TO FUND),
27 6.4% OF THE AMOUNT COLLECTED UNDER ARTICLE II SHALL BE DEPOSITED
28 INTO THE PUBLIC TRANSPORTATION TRUST FUND ANNUALLY BY THE 20TH
29 DAY OF EACH MONTH FOR THE PRECEDING MONTH.

30 SECTION 2302-A. ANNUAL INCREASE.

1 NOTWITHSTANDING 74 PA.C.S. § 1513(D) (2) (RELATING TO
2 OPERATING PROGRAM), THE SECRETARY OF TRANSPORTATION MAY ADJUST
3 AND HOLD HARMLESS THE AMOUNT OF ANNUAL INCREASE IN LOCAL MATCH
4 UNDER SECTION 1513(D) (2) FOR A PERIOD OF FIVE FISCAL YEARS
5 BEGINNING IN FISCAL YEAR 2024-2025.

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

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

9 (D) NOTWITHSTANDING THE PROVISIONS OF [THE PRECEDING
10 SUBSECTIONS,] THIS SECTION, OTHER THAN AS SET FORTH IN
11 SUBSECTION (D.1), INTEREST WITH RESPECT TO ANY UNDERPAYMENT OF
12 ANY INSTALLMENT OF ESTIMATED TAX SHALL NOT BE IMPOSED IF THE
13 TOTAL AMOUNT OF ALL PAYMENTS OF ESTIMATED TAX MADE ON OR BEFORE
14 THE LAST DATE PRESCRIBED FOR THE PAYMENT OF SUCH INSTALLMENT
15 EQUALS OR EXCEEDS THE AMOUNT WHICH WOULD HAVE BEEN REQUIRED TO
16 BE PAID ON OR BEFORE SUCH DATE IF THE ESTIMATED TAX WERE AN
17 AMOUNT EQUAL TO THE TAX COMPUTED AT THE RATES APPLICABLE TO THE
18 TAXABLE YEAR, INCLUDING ANY MINIMUM TAX IMPOSED, BUT OTHERWISE
19 ON THE BASIS OF THE FACTS SHOWN ON THE REPORT OF THE TAXPAYER
20 FOR, AND THE LAW APPLICABLE TO, THE SAFE HARBOR BASE YEAR,
21 ADJUSTED FOR ANY CHANGES TO SECTIONS 401, 601, 602 AND 1101
22 ENACTED FOR THE TAXABLE YEAR, IF A REPORT SHOWING A LIABILITY
23 FOR TAX WAS FILED BY THE TAXPAYER FOR THE SAFE HARBOR BASE YEAR.
24 IF THE TOTAL AMOUNT OF ALL PAYMENTS OF ESTIMATED TAX MADE ON OR
25 BEFORE THE LAST DATE PRESCRIBED FOR THE PAYMENT OF SUCH
26 INSTALLMENT DOES NOT EQUAL OR EXCEED THE AMOUNT REQUIRED TO BE
27 PAID PER THE PRECEDING SENTENCE, BUT SUCH AMOUNT IS PAID AFTER
28 THE DATE THE INSTALLMENT WAS REQUIRED TO BE PAID, THEN THE
29 PERIOD OF UNDERPAYMENT SHALL RUN FROM THE DATE THE INSTALLMENT
30 WAS REQUIRED TO BE PAID TO THE DATE THE AMOUNT REQUIRED TO BE

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

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

1 THE COMBINED TAX SHOWN ON THE REPORTS OF ALL THE MEMBERS OF THE
2 UNITARY BUSINESS FOR THE SAFE HARBOR BASE YEAR COMPUTED AT THE
3 RATE APPLICABLE TO THE TAXABLE YEAR.

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

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

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

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

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

22 * * *

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

24 * * *

25 (A.1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE
26 AMOUNT OF TAX CREDITS THAT MAY BE AWARDED FOR THE TAX CREDIT
27 PROGRAM UNDER SUBARTICLE B OF ARTICLE XVII-D SHALL REMAIN AT THE
28 AMOUNT ALLOCATED FOR THE FISCAL YEAR BEGINNING AFTER JUNE 30,
29 2022, AND ENDING BEFORE JULY 1, 2023.

30 * * *

1 SECTION 15.3. NOTHING IN THIS ACT SHALL BE CONSTRUED TO
2 INCREASE THE RATE OF TAX IMPOSED UNDER SECTION 1102-C OF THE
3 ACT.

4 SECTION 16. THE FOLLOWING SHALL APPLY:

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

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

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

13 (4) THE ADDITION OF SECTION 401(3)1(B.2) OF THE ACT
14 SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
15 2022.

16 (5) THE ADDITION OF SECTION 403(A.1) AND (A.2) OF THE
17 ACT SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
18 2024.

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

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

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

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

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

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

1 (2) THE ADDITION OF ARTICLE XXIII-A OF THE ACT SHALL
2 TAKE EFFECT JULY 1, 2024.

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

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

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

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

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

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

14 (VI) THE AMENDMENT OR ADDITION OF SECTION 1716-D(B)
15 (1), (1.3) AND (1.4) OF THE ACT.

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

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

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

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

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