

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 245 Session of 2013

INTRODUCED BY PETRI, D. COSTA, GROVE, MICOZZIE AND GABLER,  
JANUARY 23, 2013

REFERRED TO COMMITTEE ON FINANCE, JANUARY 23, 2013

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 malt beverage tax, further providing for  
11 limited tax credits.

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

14 Section 1. Section 2010 of the act of March 4, 1971 (P.L.6,  
15 No.2), known as the Tax Reform Code of 1971, amended December  
16 23, 2003 (P.L.250, No.46), is amended to read:

17 Section 2010. Limited Tax Credits.--(a) The General  
18 Assembly of the Commonwealth, conscious of the financial  
19 pressures facing small brewers in Pennsylvania and the attendant  
20 risk of business failure and loss of employment opportunity,  
21 declares it public policy that renewal and improvement of small  
22 brewers be encouraged and assisted by a [limited] tax subsidy to

1 be granted [during the period] as set forth in this section.

2 (b) As used in this section:

3 "Amounts paid." The phrase means (i) amounts actually paid,  
4 or (ii) at the taxpayer's election, amounts promised to be paid  
5 under firm purchase contracts actually executed during any  
6 calendar year [falling within the effective period of this  
7 section]: Provided, however, That there shall be no duplication  
8 of "amounts paid" under this definition.

9 ["Effective period." The period from January 1, 1974, to  
10 December 31, 2008, inclusive.]

11 "Qualifying capital expenditures." Amounts paid by a  
12 taxpayer [during the effective period of this section] for the  
13 purchase of items of plant, machinery or equipment for use by  
14 the taxpayer within this Commonwealth in the manufacture and  
15 sale of malt or brewed beverages: Provided, however, That the  
16 total amount of qualifying capital expenditures made by a  
17 taxpayer within a single calendar year shall not exceed two  
18 hundred thousand dollars (\$200,000).

19 "Secretary." The Secretary of Revenue of the Commonwealth of  
20 Pennsylvania where not otherwise qualified.

21 "Taxpayer." A manufacturer of malt or brewed beverages  
22 claiming a tax credit or credits under this section and having  
23 an annual production of malt or brewed beverages that does not  
24 exceed one million five hundred thousand (1,500,000) barrels.

25 (c) A tax credit or credits shall be allowed for each  
26 calendar year to a taxpayer, as hereinafter provided, not to  
27 exceed in total amount the amount of qualifying capital  
28 expenditures made by the taxpayer and certified by the  
29 secretary.

30 (d) A taxpayer desiring to claim a tax credit or credits

1 under this section shall, within one year of the date of the  
2 original purchase of the qualifying capital expenditures, in  
3 accordance with regulations promulgated by the secretary, report  
4 annually to the secretary the nature, amounts and dates of  
5 qualifying capital expenditures made by him and such other  
6 information as the secretary shall require. If satisfied as to  
7 the correctness of such a report, the secretary shall issue to  
8 the taxpayer a certificate establishing the amount of qualifying  
9 capital expenditures made by the taxpayer and included within  
10 said report. The taxpayer shall also provide to the secretary  
11 the number of employes, total production of malt or brewed  
12 beverages and the amount of capital expenditures made by the  
13 taxpayer at each location operated by the taxpayer or a parent  
14 corporation, subsidiary, joint venture or affiliate. Also, the  
15 taxpayer shall notify the secretary of any contract for  
16 production held with another manufacturer. The secretary shall  
17 file a report annually with the Chief Clerk of the House of  
18 Representatives and with the Secretary of the Senate outlining  
19 the employment, production, expenditures and tax credits  
20 authorized under this section.

21 (e) Upon receipt from a taxpayer of a certificate from the  
22 secretary issued under subsection (c), the Secretary of Revenue  
23 shall grant a tax credit or credits in the amount certified  
24 against any tax due under this article in the calendar year in  
25 which the expenditures were incurred or against any tax becoming  
26 due from the taxpayer under this article in the following three  
27 calendar years. [No credit shall be allowed against any tax due  
28 for any taxable period ending after December 31, 2008.]

29 Section 2. The amendment of section 2010 of the act shall  
30 apply to tax years beginning after December 31, 2012.

1 Section 3. This act shall take effect in 60 days.