
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 752 Session of
2017

INTRODUCED BY MURT, D. COSTA, DEASY, DRISCOLL, IRVIN, LONGIETTI,
MILLARD, NEILSON, O'BRIEN, READSHAW AND ROZZI, MARCH 7, 2017

REFERRED TO COMMITTEE ON TOURISM AND RECREATIONAL DEVELOPMENT,
MARCH 7, 2017

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," providing for the tourism marketing and promotion
11 tax credit.

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

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
15 the Tax Reform Code of 1971, is amended by adding an article to
16 read:

17 ARTICLE XIX-G

18 TOURISM MARKETING AND

19 PROMOTION TAX CREDIT

20 Section 1901-G. Definitions.

21 The following words and phrases when used in this article
22 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 "Commission." The Pennsylvania Tourism Commission
3 established by law or a nonprofit entity designated by the
4 Governor that is exempt from Federal taxation under section
5 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-
6 514, 26 U.S.C. § 1 et seq.).

7 "Contribution." A donation of cash, personal property, in-
8 kind contributions or tourism marketing and promotion services,
9 the value of which is determined by the commission.

10 "Department." The Department of Revenue of the Commonwealth.

11 "Pass-through entity." A partnership as defined under
12 section 301(n.0) or a Pennsylvania S corporation or small
13 business as defined under section 301(n.1) and (s.2).

14 "Qualified tax liability." The liability for taxes imposed
15 under Article III, IV or VI. The term includes the liability for
16 taxes imposed under Article III on a shareholder of a
17 Pennsylvania S corporation. The term does not include tax
18 withheld by an employer from an employee under Article III.

19 "Tax credit." The tourism marketing and promotion tax credit
20 established under this article.

21 "Taxpayer." An entity subject to tax under Article III, IV
22 or VI. The term includes the shareholder of a Pennsylvania S
23 corporation that receives a tourism marketing and promotion tax
24 credit.

25 Section 1902-G. Tax credit.

26 (a) Eligibility.--The commission may award a tax credit for
27 contributions made to and accepted by the commission. The
28 commission shall, by November 1 of the program year, notify the
29 following:

30 (1) The department of the amount of the award up to the

1 capped amount, including:

2 (i) the name of each donor;

3 (ii) the Federal entity identification number of
4 each donor; and

5 (iii) the value of each contribution.

6 (2) The taxpayer of the award.

7 (b) Amount of tax credits.--The amount of the tax credit for
8 the taxable year shall be 55% of the value of contributions made
9 to the commission under subsection (a).

10 (c) Limitation on single taxpayer tax credits.--No single
11 taxpayer shall receive more than 20% of the total amount of tax
12 credits authorized under this article in a fiscal year.

13 (d) Tax liability.--Credits awarded by the commission under
14 this section may be utilized against tax liabilities incurred in
15 the tax year in which the contribution is made.

16 Section 1903-G. Tourism marketing and promotion tax credits.

17 A taxpayer may claim a tax credit against the qualified tax
18 liability of the taxpayer.

19 Section 1904-G. Carryover, carryback, refund and assignment of
20 tax credit.

21 (a) General rule.--If the taxpayer cannot use the entire
22 amount of the tax credit for the taxable year in which the tax
23 credit is first approved, the excess may be carried over to
24 succeeding taxable years and used as a credit against the
25 qualified tax liability of the taxpayer for those taxable years.
26 Each time the tax credit is carried over to a succeeding taxable
27 year, the credit shall be reduced by the amount that was used as
28 a credit during the immediately preceding taxable year. The tax
29 credit under this article may be carried over and applied to
30 succeeding taxable years for not more than three taxable years

1 following the first taxable year for which the taxpayer was
2 entitled to claim the credit.

3 (b) Application.--A tax credit approved by the department in
4 a taxable year first shall be applied against the taxpayer's
5 qualified tax liability for the current taxable year as of the
6 date on which the credit was approved before the tax credit can
7 be applied against any tax liability under subsection (a). A
8 taxpayer may not carry back, obtain a refund of or sell or
9 assign the credit.

10 Section 1905-G. Pass-through entity.

11 (a) General rule.--If a pass-through entity has any unused
12 tax credit under section 1902-G, the pass-through entity may
13 elect in writing, according to procedures established by the
14 department, to transfer all or a portion of the tax credit to
15 shareholders, members or partners in proportion to the share of
16 the pass-through entity's distributive income to which the
17 shareholder, member or partner is entitled.

18 (b) Limitation.--A pass-through entity and a shareholder,
19 member or partner of a pass-through entity may not claim the tax
20 credit under subsection (a) for the same contributions.

21 (c) Application.--A shareholder, member or partner of a
22 pass-through entity to whom a tax credit is transferred under
23 subsection (a) shall immediately claim the tax credit in the
24 taxable year in which the transfer is made. The shareholder,
25 member or partner may not carry forward, carry back, obtain a
26 refund of or sell or assign the tax credit.

27 Section 1906-G. Annual cap on tax credits.

28 The total amount of tax credits approved under this article
29 may not be more than \$15,000,000 in a fiscal year.

30 Section 1907-G. Report to General Assembly.

1 The commission shall submit an annual report to the General
2 Assembly indicating the effectiveness of the tax credit not
3 later than June 30 following the year in which the tax credits
4 were approved. The report shall include the names of all
5 taxpayers awarded the tax credit as of the date of the report
6 and the amount of tax credits approved by each taxpayer.
7 Notwithstanding any law providing for the confidentiality of tax
8 records, the information contained in the report shall be public
9 information.

10 Section 1908-G. Regulations.

11 The department may promulgate regulations or guidelines
12 necessary for the implementation and administration of this
13 article.

14 Section 1909-G. Expiration.

15 This article shall expire July 1, 2022.

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