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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 938 Session of  
2015

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INTRODUCED BY SIMS, SCHREIBER, O'BRIEN, McNEILL, ROZZI, KINSEY,  
SCHWEYER, YOUNGBLOOD, COHEN, MURT, DRISCOLL AND ACOSTA,  
APRIL 8, 2015

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REFERRED TO COMMITTEE ON FINANCE, APRIL 8, 2015

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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 an Energy Star-rated product  
11 manufacturing 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 XVIII-G

18 ENERGY STAR-RATED PRODUCT

19 MANUFACTURING TAX CREDIT

20 Section 1801-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 "Department." The Department of Revenue of the Commonwealth.

3 "Energy Star-rated product." A product that has been  
4 certified as in compliance with and qualifies as an Energy Star  
5 product pursuant to the Environmental Protection Agency and the  
6 Department of Energy, Energy Star Program and bears the Energy  
7 Star label.

8 "Energy Star-rated product manufacturing tax credit" or "tax  
9 credit." The credit provided under this article.

10 "Qualified tax liability." The liability for taxes imposed  
11 under Article III, IV, V or VI. The term does not include any  
12 tax withheld by an employer from an employee under Article III.

13 "Taxpayer." An entity subject to tax under Article III, IV,  
14 V or VI.

15 Section 1802-G. Eligible applicants.

16 A taxpayer that manufactures Energy Star-rated products may  
17 apply for the Energy Star-rated product manufacturing tax credit  
18 as provided under this article. By February 1 of each year, a  
19 taxpayer must submit an application to the department for the  
20 amount of costs identified under section 1803-G that were paid  
21 in the taxable year that ended the prior calendar year.

22 Section 1803-G. Award of tax credits.

23 A taxpayer that is qualified under section 1802-G may receive  
24 an Energy Star-rated product manufacturing tax credit for the  
25 taxable year in an amount equal to 20% of the total amount of  
26 all capital, operation and maintenance costs paid for  
27 manufacturing Energy Star-related products in the taxable year  
28 to be applied against the taxpayer's qualified tax liability.

29 Section 1804-G. Carryover and carryback of credit.

30 (a) Carryover.--If the taxpayer cannot use the entire amount

1 of the Energy Star-rated product manufacturing tax credit for  
2 the taxable year in which the tax credit is first approved, the  
3 excess may be carried over to succeeding taxable years and used  
4 as a credit against the qualified tax liability of the taxpayer  
5 for those taxable years. Each time that the tax credit is  
6 carried over to a succeeding taxable year, it is to be reduced  
7 by the amount that was used as a credit during the immediately  
8 preceding taxable year. The tax credit provided under this  
9 article may be carried over and applied to succeeding taxable  
10 years for no more than five taxable years following the first  
11 taxable year for which the taxpayer was entitled to claim the  
12 tax credit.

13 (b) Application.--An Energy Star-rated product manufacturing  
14 tax credit approved by the department in a taxable year first  
15 shall be applied against the taxpayer's qualified tax liability  
16 for the current taxable year as of the date on which the tax  
17 credit was approved before the tax credit is applied against any  
18 tax liability under subsection (a).

19 (c) Carryback.--A taxpayer is not entitled to carry back or  
20 obtain a refund of an unused Energy Star-rated product  
21 manufacturing tax credit.

22 Section 1805-G. Availability of tax credit.

23 Each fiscal year, \$10,000,000 in tax credits shall be made  
24 available to the department and may be awarded by the department  
25 in accordance with this article.

26 Section 1806-G. Regulations.

27 The department shall promulgate regulations necessary for the  
28 implementation and administration of this article.

29 Section 2. The addition of sections 1801-G, 1802-G, 1803-G,  
30 1804-G, 1805-G and 1806-G of the act shall apply to tax years

1 beginning after December 31, 2014.

2 Section 3. This act shall take effect immediately.