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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1194 Session of  
2018

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INTRODUCED BY KILLION, BREWSTER, BROWNE, FOLMER, MARTIN, MENSCH,  
REGAN AND WHITE, JUNE 12, 2018

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REFERRED TO EDUCATION, JUNE 12, 2018

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AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," in educational tax credits, further  
6 providing for definitions.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. The definition of "pass-through entity" in  
10 section 2002-B of the act of March 10, 1949 (P.L.30, No.14),  
11 known as the Public School Code of 1949, is amended and the  
12 section is amended by adding a definition to read:

13 Section 2002-B. Definitions.

14 The following words and phrases when used in this article  
15 shall have the meanings given to them in this section unless the  
16 context clearly indicates otherwise:

17 \* \* \*

18 "Pass-through entity." A partnership as defined in section  
19 301(n.0) of the act of March 4, 1971 (P.L.6, No.2), known as the  
20 Tax Reform Code of 1971, a single-member limited liability

1 company treated as a disregarded entity for Federal income tax  
2 purposes or a Pennsylvania S corporation as defined in section  
3 301(n.1) of the Tax Reform Code of 1971. The term includes a  
4 pass-through entity that owns an interest in a pass-through  
5 entity. The term also includes a qualified Subchapter S trust.

6 \* \* \*

7 "Qualified Subchapter S trust." As defined in section  
8 1361(d)(3) of the Internal Revenue Code of 1986.

9 \* \* \*

10 Section 2. The amendment of section 2002-B of the act shall  
11 apply retroactively to January 1, 2015.

12 Section 3. This act shall take effect immediately.