

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 747 Session of 2019

INTRODUCED BY MENSCH, BROWNE, BARTOLOTTA, J. WARD, REGAN,  
DINNIMAN, BOSCOLA AND YUDICHAK, JUNE 10, 2019

REFERRED TO FINANCE, JUNE 10, 2019

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 manufacturing innovation and reinvestment deduction.

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

14 Section 1. Section 407.7(a) and (d)(1) of the act of March  
15 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are  
16 amended to read:

17 Section 407.7. Manufacturing Innovation and Reinvestment  
18 Deduction.--(a) In order to be eligible to receive a  
19 manufacturing innovation and reinvestment deduction, a taxpayer  
20 must demonstrate to the department a private capital investment  
21 in excess of one [hundred million dollars (\$100,000,000)]  
22 million dollars (\$1,000,000) for the creation of new or

1 refurbished manufacturing capacity within three years of a  
2 designated start date.

3 \* \* \*

4 (d) (1) Upon determining a taxpayer's satisfaction of the  
5 eligibility criteria, the department shall calculate the maximum  
6 allowable deduction that a taxpayer may claim against the  
7 taxpayer's taxable income under this article. The deduction  
8 shall be equal to:

9 (i) if the private capital investment is in excess of one  
10 million dollars (\$1,000,000) but not more than ten million  
11 dollars (\$10,000,000), ten per cent of the private capital  
12 investment utilized in the creation of new or refurbished  
13 manufacturing capacity per tax year for a period of five years;

14 (ii) if the private capital investment is in excess of ten  
15 million dollars (\$10,000,000) but not more than one hundred  
16 million dollars (\$100,000,000), seven and one-half per cent of  
17 the private capital investment utilized in the creation of new  
18 or refurbished manufacturing capacity per tax year for a period  
19 of five years; or

20 (iii) if the private capital investment is in excess of one  
21 hundred million dollars (\$100,000,000), five per cent of the  
22 private capital investment utilized in the creation of new or  
23 refurbished manufacturing capacity per tax year for a period of  
24 five years.

25 \* \* \*

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