

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 269 Session of 2023

INTRODUCED BY GEBHARD, BROOKS, COLLETT, DILLON, STEFANO, LANGERHOLC, COSTA, J. WARD, HUTCHINSON AND ROBINSON, JANUARY 31, 2023

SENATOR PITTMAN, RULES AND EXECUTIVE NOMINATIONS, RE-REPORTED AS AMENDED, MAY 6, 2024

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 PERSONAL INCOME TAX, FURTHER PROVIDING FOR <--
11 IMPOSITION OF TAX; IN GROSS RECEIPTS TAX, FURTHER PROVIDING
12 FOR IMPOSITION OF TAX, PROVIDING FOR TRANSFERS TO ALTERNATIVE
13 FUELS INCENTIVE FUND AND FURTHER PROVIDING FOR ESTABLISHMENT
14 OF REVENUE-NEUTRAL RECONCILIATION; in tax credit and tax
15 benefit administration, further providing for definitions;
16 providing for volunteer certified emergency medical
17 technician tax credit; and imposing duties on the Department <--
18 of Revenue; ELIMINATING THE TAX IMPOSED UPON EACH DOLLAR OF <--
19 THE GROSS RECEIPTS RECEIVED FROM THE SALES OF ELECTRIC
20 ENERGY; PROVIDING FOR THE BENEFIT OF CONSUMERS AND FOR A
21 CIVIL PENALTY; AND MAKING A REPEAL.

22 The General Assembly of the Commonwealth of Pennsylvania
23 hereby enacts as follows:

24 ~~Section 1. The definition of "tax credit" in section 1701- <--~~
25 ~~A.1 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax-~~
26 ~~Reform Code of 1971, is amended by adding a paragraph to read:~~

1 SECTION 1. SECTION 302 (A) AND (B) OF THE ACT OF MARCH 4,  
2 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971,  
3 AMENDED DECEMBER 14, 2023 (P.L.460, NO.64), ARE AMENDED TO READ:

4 SECTION 302. IMPOSITION OF TAX.-- (A) EXCEPT AS PROVIDED IN  
5 SUBSECTION (C), EVERY RESIDENT INDIVIDUAL, ESTATE OR TRUST SHALL  
6 BE SUBJECT TO, AND SHALL PAY FOR THE PRIVILEGE OF RECEIVING EACH  
7 OF THE CLASSES OF INCOME HEREINAFTER ENUMERATED IN SECTION 303,  
8 A TAX UPON EACH DOLLAR OF INCOME RECEIVED BY THAT RESIDENT  
9 DURING THAT RESIDENT'S TAXABLE YEAR AT THE RATE OF [THREE AND  
10 SEVEN HUNDREDTHS] TWO AND EIGHT-TENTHS PER CENT.

11 (B) EXCEPT AS PROVIDED IN SUBSECTION (C), EVERY NONRESIDENT  
12 INDIVIDUAL, ESTATE OR TRUST SHALL BE SUBJECT TO, AND SHALL PAY  
13 FOR THE PRIVILEGE OF RECEIVING EACH OF THE CLASSES OF INCOME  
14 HEREINAFTER ENUMERATED IN SECTION 303 FROM SOURCES WITHIN THIS  
15 COMMONWEALTH, A TAX UPON EACH DOLLAR OF INCOME RECEIVED BY THAT  
16 NONRESIDENT DURING THAT NONRESIDENT'S TAXABLE YEAR AT THE RATE  
17 OF [THREE AND SEVEN HUNDREDTHS] TWO AND EIGHT-TENTHS PER CENT.

18 \* \* \*

19 SECTION 2. SECTION 1101 (B) AND (H) OF THE ACT ARE AMENDED  
20 AND THE SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

21 SECTION 1101. IMPOSITION OF TAX.--\* \* \*

22 (A.2) TRANSFER TO ALTERNATIVE FUELS INCENTIVE FUND.--  
23 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, BEGINNING IN FISCAL  
24 YEAR 2024-2025, AND EACH FISCAL YEAR THEREAFTER, SIX MILLION  
25 DOLLARS (\$6,000,000) OF THE TAXES RECEIVED UNDER SUBSECTION (A)  
26 SHALL BE TRANSFERRED TO THE ALTERNATIVE FUELS INCENTIVE FUND  
27 ESTABLISHED UNDER SECTION 3 OF THE ACT OF NOVEMBER 29, 2004  
28 (P.L.1376, NO.178), KNOWN AS THE ALTERNATIVE FUELS INCENTIVE  
29 ACT. THE TRANSFER REQUIRED UNDER THIS SUBSECTION SHALL BE MADE  
30 ANNUALLY BY MAY 31, 2025, AND EACH MAY 31 THEREAFTER.

1 (B) ELECTRIC LIGHT, WATERPOWER AND HYDRO-ELECTRIC  
2 UTILITIES.--

3 (1) EVERY ELECTRIC LIGHT COMPANY, WATERPOWER COMPANY AND  
4 HYDRO-ELECTRIC COMPANY NOW OR HEREAFTER INCORPORATED OR  
5 ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR  
6 HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE  
7 UNITED STATES OR ANY FOREIGN GOVERNMENT AND DOING BUSINESS IN  
8 THIS COMMONWEALTH, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION,  
9 JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS,  
10 ENGAGED IN ELECTRIC LIGHT AND POWER BUSINESS, WATERPOWER  
11 BUSINESS AND HYDRO-ELECTRIC BUSINESS IN THIS COMMONWEALTH, SHALL  
12 PAY TO THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A  
13 TAX OF FORTY-FOUR MILLS UPON EACH DOLLAR OF THE GROSS RECEIPTS  
14 OF THE CORPORATION, COMPANY OR ASSOCIATION, LIMITED PARTNERSHIP,  
15 JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS,  
16 RECEIVED FROM:

17 [(1)] (I) THE SALES OF ELECTRIC ENERGY WITHIN THIS STATE,  
18 EXCEPT GROSS RECEIPTS DERIVED FROM THE SALES FOR RESALE OF  
19 ELECTRIC ENERGY TO PERSONS, PARTNERSHIPS, ASSOCIATIONS,  
20 CORPORATIONS OR POLITICAL SUBDIVISIONS SUBJECT TO THE TAX  
21 IMPOSED BY THIS SUBSECTION UPON GROSS RECEIPTS DERIVED FROM SUCH  
22 RESALE; AND

23 [(2)] (II) THE SALES OF ELECTRIC ENERGY PRODUCED IN  
24 PENNSYLVANIA AND MADE OUTSIDE OF PENNSYLVANIA IN A STATE THAT  
25 HAS TAKEN ACTION SINCE DECEMBER 21, 1977 WHICH RESULTS IN HIGHER  
26 COSTS FOR ELECTRIC ENERGY PRODUCED IN THAT STATE AND SOLD IN  
27 PENNSYLVANIA UNLESS THE ACTION THAT WAS TAKEN AFTER DECEMBER 21,  
28 1977 IS RESCINDED ACCORDING TO THE FOLLOWING APPORTIONMENT  
29 FORMULA: EXCEPT FOR GROSS RECEIPTS DERIVED FROM SALES UNDER  
30 CLAUSE (1), THE GROSS RECEIPTS FROM ALL SALES OF ELECTRICITY OF

1 THE PRODUCER SHALL BE APPORTIONED TO THE COMMONWEALTH OF  
2 PENNSYLVANIA BY THE RATIO OF THE PRODUCER'S OPERATING AND  
3 MAINTENANCE EXPENSES IN PENNSYLVANIA AND DEPRECIATION  
4 ATTRIBUTABLE TO PROPERTY IN PENNSYLVANIA TO THE PRODUCER'S TOTAL  
5 OPERATING AND MAINTENANCE EXPENSES AND DEPRECIATION.

6 (2) THIS SUBSECTION SHALL EXPIRE FOR TAXABLE YEARS BEGINNING  
7 AFTER DECEMBER 31, 2024.

8 \* \* \*

9 (H) BENEFITS TO CONSUMER.--

10 (1) FOR PURPOSES OF THIS ARTICLE, THE REDUCTION IN THE TAXES  
11 IMPOSED UNDER SUBSECTIONS (A) AND (B) SHALL DERIVE TO THE  
12 BENEFIT OF THE CONSUMER PURCHASING SERVICES FROM SAID UTILITIES.  
13 SAID BENEFIT SHALL BE PROVIDED IN THE FORM OF A REDUCTION IN THE  
14 STATE TAX SURCHARGE. FAILURE TO PASS THROUGH THE REDUCTION TO  
15 THE CONSUMER SHALL SUBJECT THE PUBLIC UTILITY TO A CIVIL PENALTY  
16 OF AT LEAST ONE THOUSAND DOLLARS (\$1,000), BUT NOT MORE THAN  
17 FIVE THOUSAND DOLLARS (\$5,000), AND SUCH ADDITIONAL RELIEF AS  
18 THE COURT MAY DEEM APPROPRIATE.

19 (2) FOR PURPOSES OF THIS ARTICLE, THE ELIMINATION OF THE  
20 TAXES IMPOSED UNDER SUBSECTION (B) SHALL DERIVE TO THE BENEFIT  
21 OF THE CONSUMER PURCHASING ELECTRIC ENERGY. SAID BENEFIT SHALL  
22 BE PROVIDED IN THE FORM OF THE ELIMINATION OF OR A REDUCTION IN  
23 THE STATE TAX SURCHARGE. FAILURE TO PASS THROUGH THE ELIMINATION  
24 OR REDUCTION TO THE CONSUMER SHALL SUBJECT THE ENTITY TO A CIVIL  
25 PENALTY OF AT LEAST ONE THOUSAND DOLLARS (\$1,000), BUT NOT MORE  
26 THAN FIVE THOUSAND DOLLARS (\$5,000), AND SUCH ADDITIONAL RELIEF  
27 AS THE COURT MAY DEEM APPROPRIATE.

28 \* \* \*

29 SECTION 3. SECTION 1101.2 OF THE ACT IS AMENDED TO READ:

30 SECTION 1101.2. ESTABLISHMENT OF REVENUE-NEUTRAL

1 RECONCILIATION.--(A) NOTWITHSTANDING THE PROVISIONS OF 66  
2 PA.C.S. § 2810(C)(1) (RELATING TO REVENUE-NEUTRAL  
3 RECONCILIATION), THE RATE OF TAX ESTABLISHED UNDER 66 PA.C.S. §  
4 2810(C)(2) FOR THE PERIOD BEGINNING JANUARY 1, 2002, SHALL  
5 CONTINUE IN FORCE WITHOUT FURTHER ADJUSTMENT FOR PERIODS  
6 BEGINNING JANUARY 1, 2003, AND THEREAFTER, AND THE SECRETARY OF  
7 REVENUE SHALL NOT DELIVER ANY FURTHER REPORTS UNDER 66 PA.C.S. §  
8 2810(C)(3).

9 (B) SUBSECTION (A) SHALL EXPIRE FOR TAXABLE YEARS BEGINNING  
10 AFTER DECEMBER 31, 2024.

11 SECTION 4. THE DEFINITION OF "TAX CREDIT" IN SECTION 1701-  
12 A.1 OF THE ACT IS AMENDED BY ADDING A PARAGRAPH TO READ:

13 Section 1701-A.1. 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 "Tax credit." A tax credit authorized under any of the  
19 following:

20 \* \* \*

21 (14.2) Article XVIII-I.

22 \* \* \*

23 Section ~~2~~ 5. The act is amended by adding an article to <--  
24 read:

25 ARTICLE XVIII-I

26 VOLUNTEER CERTIFIED EMERGENCY

27 MEDICAL TECHNICIAN TAX CREDIT

28 Section 1801-I. Definitions.

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

1 context clearly indicates otherwise:

2 "Active volunteer certified emergency medical technician." A  
3 volunteer for a nonprofit emergency medical services agency who  
4 is certified under 35 Pa.C.S. § 79A23 (relating to  
5 certification).

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

7 "Nonprofit emergency medical services agency." An emergency  
8 medical services agency as defined in 35 Pa.C.S. § 8103  
9 (relating to definitions) and chartered as a nonprofit  
10 corporation.

11 "Qualified tax liability." The liability for taxes imposed  
12 under Article III for the taxable year beginning after December  
13 31, 2024, and each taxable year thereafter. The term does not  
14 include amounts withheld or required to be withheld from  
15 employees under Article III.

16 "Tax credit." The tax credit available to an active  
17 volunteer certified emergency medical technician under this  
18 article.

19 "Taxpayer." An individual subject to payment of taxes under  
20 Article III.

21 "Volunteer." A member of a volunteer fire company or a  
22 nonprofit emergency medical services agency.

23 Section 1802-I. Application and procedure.

24 (a) Application to department.--A taxpayer may claim a tax  
25 credit against the qualified tax liability of the taxpayer by  
26 submitting an application for the tax credit in a manner  
27 required by the department. The application shall contain the  
28 following information:

29 (1) The name and tax identification number of the  
30 taxpayer.

1           (2) Documentation that the taxpayer meets the  
2           eligibility criteria specified in section 1803-I.

3           (3) Any other information deemed appropriate by the  
4           department.

5           (b) Procedure.--The application shall be attached to the  
6           applicant's annual tax return required to be filed under Article  
7           III.

8           Section 1803-I. Taxpayer eligibility.

9           (a) Criteria.--A taxpayer who is an active volunteer  
10           certified emergency medical technician shall be eligible for a  
11           tax credit if the taxpayer meets the following criteria:

12           (1) Is a resident of this Commonwealth.

13           (2) Has at least two full years of service as a  
14           certified emergency medical technician by December 31 of the  
15           taxable year and has responded to at least 20% of the  
16           company's emergency calls during that two-year period.

17           (3) Is an active volunteer certified emergency medical  
18           technician on the date the taxpayer files the tax return.

19           (b) Maximum credit.--A taxpayer who qualifies under  
20           subsection (a) may claim a tax credit of \$500.

21           Section 1804-I. Carryover and carryback prohibited.

22           A taxpayer may not carry over, carry back, obtain a refund  
23           of, sell or assign an unused tax credit.

24           Section 1805-I. Self certification.

25           The making or filing by a taxpayer of any return,  
26           declaration, statement or other document required to be made or  
27           filed under this article shall constitute a certification by the  
28           taxpayer that the statements, including the taxpayer's residency  
29           status and years of service as an active volunteer certified  
30           emergency medical technician, contained in the return,

1 declaration, statement or other document are true and that any  
2 copy filed is a true copy.

3 Section 1806-I. Guidelines.

4 (a) General rule.--The department shall adopt guidelines,  
5 including forms, necessary to administer this article.

6 (b) Joint income.--A tax credit granted under this article  
7 may be applied to the tax liability of the spouse of an eligible  
8 taxpayer if both the eligible taxpayer and the spouse report  
9 income on a joint income tax return.

10 Section 1807-I. Report to General Assembly.

11 No later than December 31, ~~2025~~ 2026, and each December 31 <--  
12 thereafter, the department shall submit a report on the tax  
13 credits granted under this article. The report shall include the  
14 number of active volunteer certified emergency medical  
15 technicians who utilized the tax credit as of the date of the  
16 report and the amount of credits approved. The report may  
17 include recommendations for changes in the calculation or  
18 administration of the tax credit. The report shall be submitted  
19 to the chairperson and minority chairperson of the  
20 Appropriations Committee of the Senate, the chairperson and  
21 minority chairperson of the Appropriations Committee of the  
22 House of Representatives, the chairperson and minority  
23 chairperson of the Veterans Affairs and Emergency Preparedness  
24 Committee of the Senate and the chairperson and minority  
25 chairperson of the Veterans Affairs and Emergency Preparedness  
26 Committee of the House of Representatives. The report may  
27 include other information that the department deems appropriate.

28 Section 1808-I. Penalty.

29 A taxpayer who claims a credit under this article but fails  
30 to meet the standards under this article shall repay the full



1 amount of the tax credit to the Commonwealth, plus interest as  
2 prescribed under section 351.

3 ~~Section 2. This act shall take effect immediately.~~ <--

4 SECTION 6. REPEALS ARE AS FOLLOWS: <--

5 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
6 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF  
7 SECTION 1101(A.2) OF THE ACT.

8 (2) SECTION 6 OF THE ACT OF NOVEMBER 29, 2004 (P.L.1376,  
9 NO.178), KNOWN AS THE ALTERNATIVE FUELS INCENTIVE ACT, IS  
10 REPEALED.

11 SECTION 7. THE ADDITION OF SECTION 1101(A.2) OF THE ACT IS A  
12 CONTINUATION OF SECTION 6 OF THE ACT OF NOVEMBER 29, 2004  
13 (P.L.1376, NO.178), KNOWN AS THE ALTERNATIVE FUELS INCENTIVE  
14 ACT. EXCEPT AS PROVIDED IN SECTION 1101(A.2) OF THE ACT, ALL  
15 ACTIVITIES INITIATED UNDER SECTION 6 OF THE ALTERNATIVE FUELS  
16 INCENTIVE ACT SHALL CONTINUE AND REMAIN IN FULL FORCE AND EFFECT  
17 AND MAY BE COMPLETED UNDER SECTION 1101(A.2) OF THE ACT. ORDERS,  
18 REGULATIONS, RULES AND DECISIONS WHICH WERE MADE UNDER SECTION 6  
19 OF THE ALTERNATIVE FUELS INCENTIVE ACT AND WHICH ARE IN EFFECT  
20 ON THE EFFECTIVE DATE OF SECTION 6 OF THIS ACT SHALL REMAIN IN  
21 FULL FORCE AND EFFECT UNTIL REVOKED, VACATED OR MODIFIED UNDER  
22 SECTION 1101(A.2) OF THE ACT. CONTRACTS, OBLIGATIONS AND  
23 COLLECTIVE BARGAINING AGREEMENTS ENTERED INTO UNDER SECTION 6 OF  
24 THE ALTERNATIVE FUELS INCENTIVE ACT ARE NOT AFFECTED NOR  
25 IMPAIRED BY THE REPEAL OF SECTION 6 OF THE ALTERNATIVE FUELS  
26 INCENTIVE ACT.

27 SECTION 8. THIS ACT SHALL APPLY AS FOLLOWS:

28 (1) THE AMENDMENT OF SECTION 302(A) AND (B) OF THE ACT  
29 SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31,  
30 2024.

1           (2) THE AMENDMENT OF SECTION 1101(B) OF THE ACT SHALL  
2 APPLY TO GROSS RECEIPTS DERIVED FROM TRANSACTIONS OCCURRING  
3 AFTER DECEMBER 31, 2024.

4           (3) THE AMENDMENT OF SECTION 1101.2 OF THE ACT SHALL  
5 APPLY TO GROSS RECEIPTS DERIVED FROM TRANSACTIONS OCCURRING  
6 AFTER DECEMBER 31, 2024.

7 SECTION 9. THE FOLLOWING SHALL APPLY:

8           (1) THE AMENDMENT OF SECTIONS 1101(B) AND 1101.2 OF THE  
9 ACT AND PARAGRAPH (2) ARE INTENDED TO ELIMINATE THE TAX  
10 IMPOSED UPON EACH DOLLAR OF THE GROSS RECEIPTS RECEIVED FROM  
11 THE SALES OF ELECTRIC ENERGY FOR TAXABLE YEARS BEGINNING  
12 AFTER DECEMBER 31, 2024, AND SHALL NOT BE CONSTRUED TO  
13 RELIEVE ANY TAXPAYER FROM THE TAX IMPOSED UNDER SECTION  
14 1101(B) OR 66 PA.C.S. § 2810, FOR TAXABLE YEARS BEGINNING  
15 BEFORE JANUARY 1, 2025.

16           (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR  
17 TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2024, A TAX SHALL  
18 NOT BE IMPOSED UNDER 66 PA.C.S. § 2810 UPON EACH DOLLAR OF  
19 THE GROSS RECEIPTS RECEIVED FROM THE SALES OF ELECTRIC  
20 ENERGY. THE ELIMINATION OF THE TAXES IMPOSED UNDER 66 PA.C.S.  
21 § 2810 UPON EACH DOLLAR OF THE GROSS RECEIPTS RECEIVED FROM  
22 THE SALES OF ELECTRIC ENERGY SHALL DERIVE TO THE BENEFIT OF  
23 THE CONSUMER PURCHASING SERVICES FROM SAID ENTITIES. THE  
24 BENEFIT SHALL BE PROVIDED IN THE FORM OF THE ELIMINATION OF  
25 OR A REDUCTION IN THE STATE TAX SURCHARGE. FAILURE TO PASS  
26 THROUGH THE ELIMINATION OR REDUCTION TO THE CONSUMER SHALL  
27 SUBJECT THE ENTITY TO A CIVIL PENALTY OF AT LEAST \$1,000, BUT  
28 NOT MORE THAN \$5,000, AND ADDITIONAL RELIEF AS THE COURT MAY  
29 DEEM APPROPRIATE.

30 SECTION 10. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

1           (1) THE ADDITION OF SECTION 1101(A.2) OF THE ACT SHALL  
2 TAKE EFFECT JULY 1, 2024.

3           (2) SECTIONS 6 AND 7 OF THIS ACT SHALL TAKE EFFECT JULY  
4 1, 2024.

5           (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT  
6 IMMEDIATELY.