

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1501 Session of 2015

INTRODUCED BY CALTAGIRONE, SCHLOSSBERG, MURT, McNEILL, YOUNGBLOOD, ROZZI, D. COSTA, COHEN, ACOSTA, HARHAI, HARKINS, DAVIS, BULLOCK, KORTZ AND THOMAS, OCTOBER 14, 2015

AS REPORTED FROM COMMITTEE ON URBAN AFFAIRS, HOUSE OF REPRESENTATIVES, MARCH 15, 2016

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 neighborhood assistance tax credit, further
11 providing for definitions, for public policy, AND for tax
12 credit and for grant of tax credit. <-- <--

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

15 Section 1. The definition of "community services" in section
16 1902-A of the act of March 4, 1971 (P.L.6, No.2), known as the
17 Tax Reform Code of 1971, amended July 2, 2012 (P.L.751, No.85),
18 is amended and the section is amended by adding definitions to
19 read:

20 Section 1902-A. Definitions.--The following words, terms and
21 phrases, when used in this article, shall have the meanings
22 ascribed to them in this section, except where the context

1 clearly indicates a different meaning:

2 * * *

3 "Community services." Any type of counseling and advice,
4 emergency assistance, food assistance, homeless housing
5 assistance or medical care furnished to individuals or groups in
6 an impoverished area.

7 * * *

8 "Homeless housing assistance." A program or project designed
9 to prevent or reduce homelessness or provide greater access to
10 housing or shelter for individuals who are homeless or at
11 immediate risk of becoming homeless.

12 * * *

13 "Land bank jurisdiction." As defined in 68 Pa.C.S. § 2103
14 (relating to definitions).

15 * * *

16 Section 2. Section 1903-A of the act, added June 16, 1994
17 (P.L.279, No.48), is amended to read:

18 Section 1903-A. Public Policy.--It is hereby declared to be
19 public policy of this Commonwealth to encourage investment by
20 business firms in offering neighborhood assistance and providing
21 job training, education, crime prevention and community
22 services, to encourage contributions by business firms to
23 neighborhood organizations which offer and provide such
24 assistance and services and to promote qualified investments
25 made by private companies to rehabilitate, expand or improve
26 buildings or land which promote community economic development
27 and which occur in portions of impoverished areas which have
28 been designated as enterprise zones[.] or, in a case involving
29 homeless housing assistance, which are located in a land bank
30 jurisdiction.

1 Section 3. Section 1904-A(a), ~~(b.1) and (c)~~ AND (B.1) of the <--
2 act, amended July 25, 2007 (P.L.373, No.55) and July 2, 2012
3 (P.L.751, No.85), are amended and the section is amended by
4 adding a subsection to read:

5 Section 1904-A. Tax Credit.--(a) Any business firm which
6 engages or contributes to a neighborhood organization which
7 engages in the activities of providing neighborhood assistance,
8 comprehensive service projects, job training or education for
9 individuals, community services or crime prevention in an
10 impoverished area or private company which makes qualified
11 investment to rehabilitate, expand or improve buildings or land
12 located within portions of impoverished areas which have been
13 designated as enterprise zones or, in a case involving homeless
14 housing assistance, which are located in a land bank
15 jurisdiction shall receive a tax credit as provided in section
16 1905-A if the secretary annually approves the proposal of such
17 business firm or private company. The proposal shall set forth
18 the program to be conducted, the impoverished area selected, the
19 estimated amount to be invested in the program and the plans for
20 implementing the program.

21 * * *

22 (b.1) The secretary shall take into special consideration,
23 when approving applications for neighborhood assistance tax
24 credits, applications which involve:

25 (1) multiple projects in various markets throughout this
26 Commonwealth; and

27 (2) charitable food programs[.]; and

28 (3) homeless housing assistance.

29 * * *

30 (b.3) The secretary, in cooperation with the Department of

1 Human Services, shall promulgate guidelines for the approval or
2 disapproval of applications for tax credits by business firms
3 that provide homeless housing assistance.

4 ~~(c) The total amount of tax credit granted for programs~~ <--
5 ~~approved under this act shall not exceed [eighteen million~~
6 ~~dollars (\$18,000,000)] thirty five million dollars (\$35,000,000)~~
7 ~~of tax credit in any fiscal year.~~

8 * * *

9 ~~Section 4. Section 1905 A of the act, amended July 25, 2007~~ <--
10 ~~(P.L.373, No.55), is amended to read:~~

11 ~~Section 1905 A. Grant of Tax Credit. The Department of~~
12 ~~Revenue shall grant a tax credit against any tax due under~~
13 ~~Article III, IV, VI, VII, VIII, IX or XV of this act, or any tax~~
14 ~~substituted in lieu thereof in an amount which shall not exceed~~
15 ~~fifty five per cent of the total amount contributed during the~~
16 ~~taxable year by a business firm or twenty five per cent of~~
17 ~~qualified investments by a private company in programs approved~~
18 ~~pursuant to section 1904 A of this act: Provided, That a tax~~
19 ~~credit of up to seventy five per cent of the total amount~~
20 ~~contributed during the taxable year by a business firm or up to~~
21 ~~thirty five per cent of the amount of qualified investments by a~~
22 ~~private company may be allowed for investment in programs where~~
23 ~~activities fall within the scope of special program priorities~~
24 ~~as defined with the approval of the Governor in regulations~~
25 ~~promulgated by the secretary, and Provided further, That a tax~~
26 ~~credit of up to seventy five per cent of the total amount~~
27 ~~contributed during the taxable year by a business firm in~~
28 ~~comprehensive service projects with five year commitments and up~~
29 ~~to eighty per cent of the total amount contributed during the~~
30 ~~taxable year by a business firm in comprehensive service~~

1 ~~projects with six year or longer commitments shall be granted.~~
2 ~~Such credit shall not exceed five hundred thousand dollars~~
3 ~~(\$500,000) annually for contributions or investments to fewer~~
4 ~~than four projects or one million two hundred fifty thousand~~
5 ~~dollars (\$1,250,000) annually for contributions or investments~~
6 ~~to four or more projects. No tax credit shall be granted to any~~
7 ~~bank, bank and trust company, insurance company, trust company,~~
8 ~~national bank, savings association, mutual savings bank or~~
9 ~~building and loan association for activities that are a part of~~
10 ~~its normal course of business. Any tax credit not used in the~~
11 ~~period the contribution or investment was made may be carried~~
12 ~~over for the next five succeeding calendar or fiscal years until~~
13 ~~the full credit has been allowed. A business firm shall not be~~
14 ~~entitled to carry back or obtain a refund of an unused tax~~
15 ~~credit. The total amount of all tax credits allowed pursuant to~~
16 ~~this act shall not exceed [eighteen million dollars~~
17 ~~(\$18,000,000)] thirty five million dollars (\$35,000,000) in any~~
18 ~~one fiscal year. Of that amount, two million dollars~~
19 ~~(\$2,000,000) shall be allocated exclusively for pass through~~
20 ~~entities. However, if the total amounts allocated to either the~~
21 ~~group of applicants, exclusive of pass through entities, or the~~
22 ~~group of pass through entity applicants is not approved in any~~
23 ~~fiscal year, the unused portion shall become available for use~~
24 ~~by the other group of qualifying taxpayers.~~

25 Section 5 4. This act shall take effect in 60 days.

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