
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2523 Session of
2020

INTRODUCED BY SCHWEYER, HOHENSTEIN, MALAGARI, KINSEY, McNEILL,
SOLOMON, RAVENSTAHL, SCHLOSSBERG, McCARTER, WILLIAMS,
YOUNGBLOOD, SANCHEZ, HARRIS, CIRESI, ROZZI, GALLOWAY,
DONATUCCI, READSHAW, FRANKEL, LEE, GAINEY, MADDEN, MERSKI AND
McCLINTON, MAY 14, 2020

REFERRED TO COMMITTEE ON FINANCE, MAY 14, 2020

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 and for grant of tax credit.

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

14 Section 1. The definition of "neighborhood assistance" in
15 section 1902-A of the act of March 4, 1971 (P.L.6, No.2), known
16 as the Tax Reform Code of 1971, is amended and the section is
17 amended by adding a definition to read:

18 Section 1902-A. Definitions.--The following words, terms and
19 phrases, when used in this article, shall have the meanings
20 ascribed to them in this section, except where the context
21 clearly indicates a different meaning:

1 * * *

2 "Neighborhood assistance." Furnishing financial assistance,
3 labor, material and technical advice to aid in the physical
4 improvement of any part or all of an impoverished area or any
5 other assistance that addresses a public health concern.

6 * * *

7 "Public health concern." A health or welfare concern among
8 the population of a community as a whole.

9 * * *

10 Section 2. Section 1905-A(a) of the act is amended to read:

11 Section 1905-A. Grant of Tax Credit.--(a) 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 and Provided further, That a tax credit of up to seventy-five
3 per cent of the total amount contributed during the taxable year
4 by a business firm in veterans' housing assistance approved
5 under section 1904-A(b.3) shall be granted. Such credit shall
6 not exceed five hundred thousand dollars (\$500,000) annually for
7 contributions or investments to fewer than four projects or one
8 million two hundred fifty thousand dollars (\$1,250,000) annually
9 for contributions or investments to four or more projects. No
10 tax credit shall be granted to any bank, bank and trust company,
11 insurance company, trust company, national bank, savings
12 association, mutual savings bank or building and loan
13 association for activities that are a part of its normal course
14 of business. Any tax credit not used in the period the
15 contribution or investment was made may be carried over for the
16 next five succeeding calendar or fiscal years until the full
17 credit has been allowed. A business firm shall not be entitled
18 to carry back or obtain a refund of an unused tax credit. The
19 total amount of all tax credits allowed pursuant to this act
20 shall not exceed [thirty-six million dollars (\$36,000,000)]
21 forty-six million dollars (\$46,000,000) in any one fiscal year.
22 Of that amount, two million dollars (\$2,000,000) shall be
23 allocated exclusively for pass-through entities, and ten million
24 dollars (\$10,000,000) shall be allocated exclusively for the
25 purpose of public health concerns. However, if the total amounts
26 allocated to either the group of applicants, exclusive of pass-
27 through entities, or the group of pass-through entity applicants
28 is not approved in any fiscal year, the unused portion shall
29 become available for use by the other group of qualifying
30 taxpayers.

1 * * *

2 Section 3. This act shall take effect in 60 days.