

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 262 Session of 2019

INTRODUCED BY METZGAR, DUNBAR, RADER, T. DAVIS, GREINER, READSHAW, McNEILL, COX, MACKENZIE, MILLARD, HILL-EVANS, BARRAR, PICKETT, LAWRENCE, GABLER AND HICKERNELL, JANUARY 29, 2019

SENATOR BROWNE, APPROPRIATIONS, IN SENATE, RE-REPORTED AS AMENDED, JUNE 26, 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 inheritance tax, further providing for~~
11 ~~inheritance tax rate.~~

12 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN <--
13 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING
14 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING
15 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,
16 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING
17 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND
18 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN
19 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS
20 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND
21 PENALTIES," IN SALES AND USE TAX, FURTHER PROVIDING FOR
22 DEFINITIONS, FOR IMPOSITION OF TAX, FOR EXCLUSIONS FROM TAX,
23 FOR LICENSES, FOR PERSONS REQUIRED TO MAKE RETURNS, FOR TAX
24 HELD IN TRUST FOR THE COMMONWEALTH, FOR ASSESSMENT, FOR
25 COLLECTION OF TAX AND FOR CRIMES AND PROVIDING FOR CLASS
26 ACTIONS; IN PERSONAL INCOME TAX, FURTHER PROVIDING FOR
27 CLASSES OF INCOME, PROVIDING FOR CONTRIBUTIONS FOR VETERANS'
28 TRUST FUND, FURTHER PROVIDING FOR RETURNS OF MARRIED
29 INDIVIDUALS, DECEASED OR DISABLED INDIVIDUALS AND FIDUCIARIES
30 AND PROVIDING FOR PAID TAX RETURN PREPARERS AND REQUIRED

1 INFORMATION ON PERSONAL INCOME TAX RETURNS; IN CORPORATE NET
2 INCOME TAX, FURTHER PROVIDING FOR MANUFACTURING INNOVATION
3 AND REINVESTMENT DEDUCTION; IN REALTY TRANSFER TAX, FURTHER
4 PROVIDING FOR DEFINITIONS AND FOR EXCLUDED TRANSACTIONS AND
5 PROVIDING FOR TRANSFER OF TAX; IN ENTERTAINMENT PRODUCTION
6 TAX CREDIT, FURTHER PROVIDING FOR DEFINITIONS, FOR CARRYOVER,
7 CARRYBACK AND ASSIGNMENT OF CREDIT, FOR LIMITATIONS, FOR FILM
8 PRODUCTION TAX CREDIT DISTRICTS, FOR DEFINITIONS, FOR
9 CARRYOVER, CARRYBACK AND ASSIGNMENT OF TAX CREDIT AND FOR
10 LIMITATIONS; IN RESOURCE ENHANCEMENT AND PROTECTION TAX
11 CREDIT, FURTHER PROVIDING FOR DEFINITIONS, FOR RESOURCE
12 ENHANCEMENT AND PROTECTION TAX CREDIT PROGRAM, FOR TAX
13 CREDITS, FOR PROJECT CERTIFICATION AND FOR ANNUAL TAX
14 CREDITS; IN HISTORIC PRESERVATION INCENTIVE TAX CREDIT,
15 FURTHER PROVIDING FOR DEFINITIONS AND FOR TAX CREDIT
16 CERTIFICATES, ESTABLISHING THE HISTORIC REHABILITATION TAX
17 CREDIT ADMINISTRATION ACCOUNT, FURTHER PROVIDING FOR
18 CARRYOVER, CARRYBACK AND ASSIGNMENT OF CREDIT, FOR PASS-
19 THROUGH ENTITY, PROVIDING FOR ANNUAL REPORT TO GENERAL
20 ASSEMBLY, FURTHER PROVIDING FOR APPLICATION OF INTERNAL
21 REVENUE CODE AND FOR LIMITATION AND PROVIDING FOR RECAPTURE;
22 IN COAL REFUSE ENERGY AND RECLAMATION TAX CREDIT, FURTHER
23 PROVIDING FOR DEFINITIONS, FOR APPLICATION AND APPROVAL OF
24 TAX CREDIT AND FOR LIMITATION ON TAX CREDITS; IN TAX CREDIT
25 FOR NEW JOBS, FURTHER PROVIDING FOR APPLICATION PROCESS; IN
26 CITY REVITALIZATION AND IMPROVEMENT ZONES, FURTHER PROVIDING
27 FOR DEFINITIONS AND FOR RESTRICTIONS; IN MANUFACTURING AND
28 INVESTMENT TAX CREDIT, FURTHER PROVIDING FOR DEFINITIONS, FOR
29 RURAL GROWTH FUNDS, FOR REQUIREMENTS, FOR RURAL GROWTH FUND
30 FAILURE TO COMPLY, FOR REPORTING OBLIGATIONS, FOR BUSINESS
31 FIRMS, FOR TAX CREDIT CERTIFICATES, FOR CLAIMING THE TAX
32 CREDIT, FOR PROHIBITIONS, FOR REVOCATION OF TAX CREDIT
33 CERTIFICATES AND FOR EXIT; IN NEIGHBORHOOD ASSISTANCE TAX
34 CREDIT, FURTHER PROVIDING FOR DEFINITIONS, FOR PUBLIC POLICY
35 AND FOR TAX CREDIT; IN KEYSTONE OPPORTUNITY ZONES, KEYSTONE
36 OPPORTUNITY EXPANSION ZONES AND KEYSTONE OPPORTUNITY
37 IMPROVEMENT ZONES, PROVIDING FOR ADDITIONAL DESIGNATIONS; IN
38 MIXED-USE DEVELOPMENT TAX CREDIT, FURTHER PROVIDING FOR
39 MIXED-USE DEVELOPMENT TAX CREDITS; IN INHERITANCE TAX,
40 FURTHER PROVIDING FOR INHERITANCE TAX; IN TABLE GAME TAXES,
41 REENACTING PROVISIONS RELATING TO TABLE GAME TAXES AND
42 FURTHER PROVIDING FOR EXPIRATION; IN STRATEGIC DEVELOPMENT
43 AREAS, FURTHER PROVIDING FOR SALES AND USE TAX AND FOR LOCAL
44 SALES AND USE TAX; IN COMPUTER DATA CENTER EQUIPMENT
45 INCENTIVE PROGRAM, FURTHER PROVIDING FOR LIMITATIONS;
46 PROVIDING FOR INDEPENDENT PUBLIC SCHOOLS; AND MAKING A
47 RELATED REPEAL.

48 The General Assembly of the Commonwealth of Pennsylvania
49 hereby enacts as follows:

50 ~~Section 1. Section 2116(a)(2) of the act of March 4, 1971~~ <--
51 ~~(P.L.6, No.2), known as the Tax Reform Code of 1971, is amended~~
52 ~~and the clause is amended by adding a subclause to read:~~

53 ~~Section 2116. Inheritance Tax. (a) * * *~~

1 ~~(1.4) Inheritance tax upon the transfer of property to or~~
2 ~~for the use of a child twenty one years of age or younger from a~~
3 ~~natural parent, an adoptive parent or a stepparent of the child~~
4 ~~shall be at the rate of zero per cent.~~

5 ~~(2) Inheritance tax upon the transfer of property passing to~~
6 ~~or for the use of all persons other than those designated in~~
7 ~~subclause (1), (1.1), (1.2) [or], (1.3) or (1.4) or exempt under~~
8 ~~section 2111(m) shall be at the rate of fifteen per cent.~~

9 * * *

10 ~~Section 2. The amendment or addition of section 2116(a) (1.4)~~
11 ~~and (2) of the act shall apply to property transferred by a~~
12 ~~natural parent, an adoptive parent or a stepparent who dies on~~
13 ~~or after the effective date of this section.~~

14 ~~Section 3. This act shall take effect in 60 days.~~

15 SECTION 1. SECTION 201(N) AND (P) OF THE ACT OF MARCH 4, <--
16 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, ARE
17 AMENDED, CLAUSES (B) AND (G) ARE AMENDED BY ADDING SUBCLAUSES
18 AND THE SECTION IS AMENDED BY ADDING CLAUSES TO READ:

19 SECTION 201. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
20 PHRASES WHEN USED IN THIS ARTICLE II SHALL HAVE THE MEANING
21 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
22 CLEARLY INDICATES A DIFFERENT MEANING:

23 * * *

24 (B) "MAINTAINING A PLACE OF BUSINESS IN THIS COMMONWEALTH."

25 * * *

26 (3.5) (I) ENGAGING IN ANY ACTIVITY AS A BUSINESS BY ANY
27 PERSON, EITHER DIRECTLY OR THROUGH A SUBSIDIARY, REPRESENTATIVE
28 OR AN AGENT, IN CONNECTION WITH THE LEASE, SALE OR DELIVERY OF
29 TANGIBLE PERSONAL PROPERTY INTO THIS COMMONWEALTH OR THE
30 PERFORMANCE OF SERVICES FOR USE, STORAGE OR CONSUMPTION OR IN

1 CONNECTION WITH THE SALE OR DELIVERY FOR USE IN THIS
2 COMMONWEALTH OF AT LEAST ONE HUNDRED THOUSAND DOLLARS (\$100,000)
3 DURING THE PRECEDING TWELVE-MONTH CALENDAR PERIOD.

4 (II) FOR A MARKETPLACE FACILITATOR, THIS ACTIVITY INCLUDES
5 ALL SALES, LEASES AND DELIVERIES OF TANGIBLE PERSONAL PROPERTY,
6 AND ALL SALES OF SERVICES BY THE MARKETPLACE SELLER WHOSE SALES
7 ARE FACILITATED THROUGH THE MARKETPLACE FACILITATOR'S FORUM.

8 * * *

9 (G) "PURCHASE PRICE."

10 * * *

11 (9) THE PURCHASE PRICE OF "MALT OR BREWED BEVERAGES" SOLD BY
12 A "MANUFACTURER OF MALT OR BREWED BEVERAGES" DIRECTLY TO THE
13 ULTIMATE CONSUMER FOR CONSUMPTION ON OR OFF PREMISES SHALL BE
14 TWENTY-FIVE PER CENT OF THE RETAIL SALES PRICE OF THE "MALT OR
15 BREWED BEVERAGES" SOLD FOR CONSUMPTION ON OR OFF PREMISES.

16 * * *

17 (N) "TAXPAYER." ANY PERSON REQUIRED TO PAY OR COLLECT THE
18 TAX IMPOSED BY THIS ARTICLE, INCLUDING A MARKETPLACE FACILITATOR
19 AND A MARKETPLACE SELLER.

20 * * *

21 (P) "VENDOR." ANY PERSON MAINTAINING A PLACE OF BUSINESS IN
22 THIS COMMONWEALTH, SELLING OR LEASING TANGIBLE PERSONAL
23 PROPERTY, OR RENDERING SERVICES, THE SALE OR USE OF WHICH IS
24 SUBJECT TO THE TAX IMPOSED BY THIS ARTICLE, INCLUDING A
25 MARKETPLACE FACILITATOR AND A MARKETPLACE SELLER, BUT NOT
26 INCLUDING ANY EMPLOYEE WHO IN THE ORDINARY SCOPE OF EMPLOYMENT
27 RENDERS SERVICES TO HIS EMPLOYER IN EXCHANGE FOR WAGES AND
28 SALARIES.

29 * * *

30 (EEE) "LIQUOR." LIQUOR AS THAT TERM IS DEFINED IN THE

1 "LIQUOR CODE."

2 (FFF) "MALT OR BREWED BEVERAGES." MALT OR BREWED BEVERAGES
3 AS THAT TERM IS DEFINED IN THE "LIQUOR CODE."

4 (GGG) "MANUFACTURER OF MALT OR BREWED BEVERAGES."
5 MANUFACTURER OF MALT OR BREWED BEVERAGES AS THAT TERM IS DEFINED
6 IN THE "LIQUOR CODE."

7 (HHH) "FORUM." A PLACE WHERE SALES AT RETAIL OCCUR, WHETHER
8 PHYSICAL OR ELECTRONIC. THE TERM INCLUDES A STORE, A BOOTH, AN
9 INTERNET WEBSITE, A CATALOG OR SIMILAR PLACE.

10 (III) "MARKETPLACE FACILITATOR." A PERSON THAT FACILITATES
11 THE SALE AT RETAIL OF TANGIBLE PERSONAL PROPERTY. FOR PURPOSES
12 OF THIS ARTICLE, A PERSON FACILITATES A SALE AT RETAIL IF THE
13 PERSON OR AN AFFILIATED PERSON:

14 (1) LISTS OR ADVERTISES TANGIBLE PERSONAL PROPERTY FOR SALE
15 AT RETAIL IN ANY FORUM; AND

16 (2) EITHER DIRECTLY OR INDIRECTLY THROUGH AGREEMENTS OR
17 ARRANGEMENTS WITH THIRD PARTIES, COLLECTS THE PAYMENT FROM THE
18 PURCHASER AND TRANSMITS THE PAYMENT TO THE PERSON SELLING THE
19 PROPERTY.

20 THE TERM INCLUDES A PERSON THAT MAY ALSO BE A VENDOR.

21 (JJJ) "MARKETPLACE SELLER." A PERSON THAT HAS AN AGREEMENT
22 WITH A MARKETPLACE FACILITATOR TO FACILITATE SALES FOR THE
23 PERSON.

24 (KKK) "AFFILIATED PERSON." A PERSON THAT, WITH RESPECT TO
25 ANOTHER PERSON:

26 (1) HAS A DIRECT OR INDIRECT OWNERSHIP INTEREST OF MORE THAN
27 FIVE PERCENT IN THE OTHER PERSON; OR

28 (2) IS RELATED TO THE OTHER PERSON BECAUSE A THIRD PERSON,
29 OR GROUP OF THIRD PERSONS WHO ARE AFFILIATED WITH EACH OTHER AS
30 DEFINED IN THIS SUBSECTION, HOLDS A DIRECT OR INDIRECT OWNERSHIP

1 INTEREST OF MORE THAN FIVE PERCENT IN THE RELATED PERSON.

2 (LLL) "ANIMAL HOUSING FACILITY." A ROOFED STRUCTURE OR
3 FACILITY, OR A PORTION OF THE FACILITY, USED FOR OCCUPATION BY
4 LIVESTOCK OR POULTRY.

5 SECTION 2. SECTION 202 (A) AND (B) OF THE ACT ARE AMENDED AND
6 THE SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

7 SECTION 202. IMPOSITION OF TAX.--(A) THERE IS HEREBY
8 IMPOSED UPON EACH SEPARATE SALE AT RETAIL OF TANGIBLE PERSONAL
9 PROPERTY OR SERVICES, AS DEFINED HEREIN, WITHIN THIS
10 COMMONWEALTH A TAX OF SIX PER CENT OF THE PURCHASE PRICE, WHICH
11 TAX SHALL, EXCEPT AS OTHERWISE PROVIDED, BE COLLECTED BY THE
12 VENDOR OR ANY OTHER PERSON REQUIRED BY THIS ARTICLE FROM THE
13 PURCHASER, AND SHALL BE PAID OVER TO THE COMMONWEALTH AS HEREIN
14 PROVIDED.

15 (B) THERE IS HEREBY IMPOSED UPON THE USE, ON AND AFTER THE
16 EFFECTIVE DATE OF THIS ARTICLE, WITHIN THIS COMMONWEALTH OF
17 TANGIBLE PERSONAL PROPERTY PURCHASED AT RETAIL ON OR AFTER THE
18 EFFECTIVE DATE OF THIS ARTICLE, AND ON THOSE SERVICES DESCRIBED
19 HEREIN PURCHASED AT RETAIL ON AND AFTER THE EFFECTIVE DATE OF
20 THIS ARTICLE, A TAX OF SIX PER CENT OF THE PURCHASE PRICE, WHICH
21 TAX SHALL BE PAID TO THE COMMONWEALTH BY THE PERSON WHO MAKES
22 SUCH USE AS HEREIN PROVIDED, EXCEPT THAT SUCH TAX SHALL NOT BE
23 PAID TO THE COMMONWEALTH BY SUCH PERSON WHERE HE HAS PAID THE
24 TAX IMPOSED BY SUBSECTION (A) OF THIS SECTION OR HAS PAID THE
25 TAX IMPOSED BY THIS SUBSECTION (B) TO THE VENDOR WITH RESPECT TO
26 SUCH USE[.], OR SUCH VENDOR ADVERTISES OR HOLDS OUT OR STATES TO
27 SUCH PERSON DIRECTLY OR INDIRECTLY SUBJECT TO THE CONDITIONS SET
28 FORTH IN 268(B) THAT SUCH VENDOR WILL PAY THE TAX IMPOSED BY
29 SUBSECTION (A) OR THIS SUBSECTION FOR SUCH PERSON. THE TAX AT
30 THE RATE OF SIX PER CENT IMPOSED BY THIS SUBSECTION SHALL NOT BE

1 DEEMED APPLICABLE WHERE THE TAX HAS BEEN INCURRED UNDER THE
2 PROVISIONS OF THE "TAX ACT OF 1963 FOR EDUCATION."

3 * * *

4 (H) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
5 ARTICLE, ARTICLE II-B, THE ACT OF JULY 28, 1953 (P.L.723,
6 NO.230), KNOWN AS THE SECOND CLASS COUNTY CODE, OR CHAPTER 5 OR
7 6 OF THE ACT OF JUNE 5, 1991 (P.L.9, NO.6), KNOWN AS THE
8 PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY ACT FOR
9 CITIES OF THE FIRST CLASS, THE TAX SHALL BE IMPOSED ON A
10 MANUFACTURER OF MALT OR BREWED BEVERAGES WITH RESPECT TO SALES
11 OF MALT OR BREWED BEVERAGES SOLD BY THE MANUFACTURER DIRECTLY TO
12 THE ULTIMATE CONSUMER FOR CONSUMPTION ON OR OFF PREMISES.

13 (2) THE TAX IMPOSED UNDER CLAUSE (1) SHALL BE PAID AND
14 REPORTED BY THE MANUFACTURER OF MALT OR BREWED BEVERAGES TO THE
15 DEPARTMENT IN THE TIME AND MANNER PROVIDED IN THIS ARTICLE.

16 (3) NOTWITHSTANDING ANY LAW TO THE CONTRARY, A SCHOOL
17 DISTRICT OR LOCAL GOVERNMENT AUTHORIZED TO IMPOSE A LOCAL
18 ALCOHOLIC BEVERAGE TAX UNDER THE ACT OF JUNE 10, 1971 (P.L.153,
19 NO.7), KNOWN AS THE FIRST CLASS SCHOOL DISTRICT LIQUOR SALES TAX
20 ACT OF 1971, OR 53 PA.C.S. § 8602 (RELATING TO LOCAL FINANCIAL
21 SUPPORT), MAY IMPOSE OR CONTINUE TO IMPOSE A LOCAL ALCOHOLIC
22 BEVERAGE TAX ON THE SALE AT RETAIL OF MALT OR BREWED BEVERAGES
23 MADE BY A MANUFACTURER OF MALT OR BREWED BEVERAGES TO THE
24 ULTIMATE CONSUMER FOR CONSUMPTION ON OR OFF PREMISES AT THE SAME
25 RATE AS AUTHORIZED UNDER THE FIRST CLASS SCHOOL DISTRICT LIQUOR
26 SALES TAX ACT OF 1971 OR 53 PA.C.S. § 8602 AND NOTWITHSTANDING
27 ANYTHING TO THE CONTRARY IN SUCH LAWS OR IN A LOCAL LAW OR
28 ORDINANCE IN EXISTENCE ON THE EFFECTIVE DATE OF THIS SECTION.

29 (4) THE PAYMENT OF THE TAX IMPOSED UNDER CLAUSE (1) SHALL
30 ELIMINATE THE NEED FOR THE ULTIMATE CONSUMER TO PAY OR REMIT A

1 SALES OR USE TAX ON THE RELATED TRANSACTION OR UPON THE
2 SUBSEQUENT USE OF THE MALT OR BREWED BEVERAGES.

3 SECTION 3. SECTION 204(49) OF THE ACT IS AMENDED AND THE
4 SECTION IS AMENDED BY ADDING CLAUSES TO READ:

5 SECTION 204. EXCLUSIONS FROM TAX.--THE TAX IMPOSED BY
6 SECTION 202 SHALL NOT BE IMPOSED UPON ANY OF THE FOLLOWING:

7 * * *

8 (49) THE SALE AT RETAIL OR USE OF FOOD AND BEVERAGES BY
9 NONPROFIT ASSOCIATIONS WHICH SUPPORT SPORTS PROGRAMS OR YOUTH
10 CENTERS. FOR PURPOSES OF THIS CLAUSE, THE PHRASES:

11 (I) "NONPROFIT ASSOCIATION" MEANS AN ENTITY WHICH IS
12 ORGANIZED AS A NONPROFIT CORPORATION OR NONPROFIT UNINCORPORATED
13 ASSOCIATION UNDER THE LAWS OF THIS COMMONWEALTH OR THE UNITED
14 STATES OR ANY ENTITY WHICH IS AUTHORIZED TO DO BUSINESS IN THIS
15 COMMONWEALTH AS A NONPROFIT CORPORATION OR UNINCORPORATED
16 ASSOCIATION UNDER THE LAWS OF THIS COMMONWEALTH, INCLUDING, BUT
17 NOT LIMITED TO, YOUTH OR ATHLETIC ASSOCIATIONS, VOLUNTEER FIRE,
18 AMBULANCE, RELIGIOUS, CHARITABLE, FRATERNAL, VETERANS, CIVIC, OR
19 ANY SEPARATELY CHARTERED AUXILIARY OF THE FOREGOING, IF
20 ORGANIZED AND OPERATED ON A NONPROFIT BASIS;

21 (IV) "SPORTS PROGRAM" MEANS BASEBALL (INCLUDING SOFTBALL),
22 FOOTBALL, BASKETBALL, SOCCER AND ANY OTHER COMPETITIVE SPORT
23 FORMALLY RECOGNIZED AS A SPORT BY THE UNITED STATES OLYMPIC
24 COMMITTEE AS SPECIFIED BY AND UNDER THE JURISDICTION OF THE
25 AMATEUR SPORTS ACT OF 1978 (PUBLIC LAW 95-606, 36 U.S.C. § 371
26 ET SEQ.), THE AMATEUR ATHLETIC UNION OR THE NATIONAL COLLEGIATE
27 ATHLETIC ASSOCIATION. THE TERM SHALL BE LIMITED TO A PROGRAM OR
28 THAT PORTION OF A PROGRAM THAT IS ORGANIZED FOR RECREATIONAL
29 PURPOSES AND WHOSE ACTIVITIES ARE SUBSTANTIALLY FOR SUCH
30 PURPOSES AND WHICH IS PRIMARILY FOR PARTICIPANTS WHO ARE 18

1 YEARS OF AGE OR YOUNGER OR WHOSE 19TH BIRTHDAY OCCURS DURING THE
2 YEAR OF PARTICIPATION OR THE COMPETITIVE SEASON, WHICHEVER IS
3 LONGER. THERE SHALL, HOWEVER, BE NO AGE LIMITATION FOR PROGRAMS
4 OPERATED FOR PERSONS WITH PHYSICAL HANDICAPS OR PERSONS WITH
5 MENTAL RETARDATION;

6 (V) "SUPPORT" MEANS:

7 (A) THE FUNDS RAISED FROM SALES ARE USED TO PAY THE EXPENSES
8 OF A SPORTS PROGRAM OR A YOUTH CENTER; OR

9 (B) THE NONPROFIT ASSOCIATION SELLS THE FOOD AND BEVERAGES
10 AT A YOUTH CENTER OR A LOCATION WHERE A SPORTS PROGRAM IS BEING
11 CONDUCTED UNDER THIS ACT[.];

12 (VI) "YOUTH CENTER" MEANS A FIXED LOCATION USED EXCLUSIVELY
13 FOR PROGRAMS FOR INDIVIDUALS WHO ARE 19 YEARS OF AGE OR YOUNGER
14 AS LONG AS THE PROGRAMS ARE:

15 (A) CONDUCTED PRIMARILY BY VOLUNTEERS;

16 (B) DESIGNED TO ADVANCE RECREATIONAL, CIVIC OR MORAL
17 OBJECTIVES; AND

18 (C) CONDUCTED BY AN ORGANIZATION THAT IS QUALIFIED UNDER
19 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC
20 LAW 99-514, 26 U.S.C. § 501(C)(3)) AND THAT HAS OBTAINED AN
21 EXEMPTION NUMBER FROM THE DEPARTMENT AS A CHARITABLE
22 ORGANIZATION UNDER CLAUSE (10).

23 * * *

24 (71) THE SALE AT RETAIL OR USE OF FOOD AND BEVERAGES BY A
25 VOLUNTEER FIREMEN'S ORGANIZATION TO RAISE FUNDS FOR THE PURPOSES
26 OF THE VOLUNTEER FIREMEN'S ORGANIZATION.

27 (72) THE SALE AT RETAIL OF BUILDING MATERIALS AND SUPPLIES
28 USED FOR THE CONSTRUCTION OR REPAIR OF AN ANIMAL HOUSING
29 FACILITY, REGARDLESS IF THE SALE IS MADE TO THE PURCHASER
30 DIRECTLY OR PURSUANT TO A CONSTRUCTION CONTRACT.

1 SECTION 4. SECTIONS 208(A), 215 AND 225 OF THE ACT ARE
2 AMENDED TO READ:

3 SECTION 208. LICENSES.--(A) EVERY PERSON MAINTAINING A
4 PLACE OF BUSINESS IN THIS COMMONWEALTH, WITH THE EXCEPTION OF A
5 MARKETPLACE SELLER WHO MAKES NO SALES OUTSIDE A FORUM FOR WHICH
6 A MARKETPLACE FACILITATOR IS REQUIRED TO COLLECT SALES TAX ON
7 THE SELLER'S BEHALF, SELLING OR LEASING SERVICES OR TANGIBLE
8 PERSONAL PROPERTY, THE SALE OR USE OF WHICH IS SUBJECT TO TAX
9 AND WHO HAS NOT HITHERTO OBTAINED A LICENSE FROM THE DEPARTMENT,
10 SHALL, PRIOR TO THE BEGINNING OF BUSINESS THEREAFTER, MAKE
11 APPLICATION TO THE DEPARTMENT, ON A FORM PRESCRIBED BY THE
12 DEPARTMENT, FOR A LICENSE. IF SUCH PERSON MAINTAINS MORE THAN
13 ONE PLACE OF BUSINESS IN THIS COMMONWEALTH, THE LICENSE SHALL BE
14 ISSUED FOR THE PRINCIPAL PLACE OF BUSINESS IN THIS COMMONWEALTH.

15 * * *

16 SECTION 215. PERSONS REQUIRED TO MAKE RETURNS.--EVERY PERSON
17 REQUIRED TO PAY TAX TO THE DEPARTMENT OR COLLECT AND REMIT TAX
18 TO THE DEPARTMENT, BUT NOT INCLUDING A MARKETPLACE SELLER WHO
19 SOLELY MAKES SALES THROUGH A MARKETPLACE FACILITATOR THAT IS
20 REQUIRED TO COLLECT SALES TAX ON THE SELLER'S BEHALF AND
21 RECEIVES A CERTIFICATION FROM THE MARKETPLACE FACILITATOR THAT
22 THE MARKETPLACE FACILITATOR WILL COLLECT, REPORT AND REMIT THE
23 PROPER SALES TAX, SHALL FILE RETURNS WITH RESPECT TO SUCH TAX.

24 SECTION 225. TAX HELD IN TRUST FOR THE COMMONWEALTH.--ALL
25 TAXES COLLECTED BY ANY PERSON FROM PURCHASERS IN ACCORDANCE WITH
26 THIS ARTICLE AND ALL TAXES COLLECTED BY ANY PERSON FROM
27 PURCHASERS UNDER COLOR OF THIS ARTICLE, INCLUDING ALL TAXES PAID
28 BY ANY PERSON WHO ADVERTISES OR HOLDS OUT OR STATES, DIRECTLY OR
29 INDIRECTLY, THAT SUCH PERSON WILL PAY THE TAX FOR THE PURCHASER,
30 WHICH HAVE NOT BEEN PROPERLY REFUNDED BY SUCH PERSON TO THE

1 PURCHASER SHALL CONSTITUTE A TRUST FUND FOR THE COMMONWEALTH,
2 AND SUCH TRUST SHALL BE ENFORCEABLE AGAINST SUCH PERSON, HIS
3 REPRESENTATIVES AND ANY PERSON (OTHER THAN A PURCHASER TO WHOM A
4 REFUND HAS BEEN MADE PROPERLY) RECEIVING ANY PART OF SUCH FUND
5 WITHOUT CONSIDERATION, OR KNOWING THAT THE TAXPAYER IS
6 COMMITTING A BREACH OF TRUST: PROVIDED, HOWEVER, THAT ANY PERSON
7 RECEIVING PAYMENT OF A LAWFUL OBLIGATION OF THE TAXPAYER FROM
8 SUCH FUND SHALL BE PRESUMED TO HAVE RECEIVED THE SAME IN GOOD
9 FAITH AND WITHOUT ANY KNOWLEDGE OF THE BREACH OF TRUST. ANY
10 PERSON, OTHER THAN A TAXPAYER, AGAINST WHOM THE DEPARTMENT MAKES
11 ANY CLAIM UNDER THIS SECTION SHALL HAVE THE SAME RIGHT TO
12 PETITION AND APPEAL AS IS GIVEN TAXPAYERS BY ANY PROVISIONS OF
13 THIS PART.

14 SECTION 5. SECTION 230 OF THE ACT IS AMENDED BY ADDING
15 SUBSECTIONS TO READ:

16 SECTION 230. ASSESSMENT.--* * *

17 (C) A MARKETPLACE FACILITATOR IS RELIEVED OF LIABILITY UNDER
18 SUBSECTION (A) IF THE MARKETPLACE FACILITATOR CAN SHOW TO THE
19 SATISFACTION OF THE DEPARTMENT THAT THE FAILURE TO COLLECT THE
20 CORRECT AMOUNT OF TAX WAS DUE TO INCORRECT INFORMATION GIVEN TO
21 THE MARKETPLACE FACILITATOR BY A MARKETPLACE SELLER.

22 (D) A MARKETPLACE SELLER IS RELIEVED OF LIABILITY UNDER
23 SUBSECTION (A) PERTAINING TO THOSE SALES MADE THROUGH A
24 MARKETPLACE FACILITATOR, WHEN THE MARKETPLACE FACILITATOR
25 CERTIFIES TO THE SELLER THAT THE MARKETPLACE FACILITATOR WILL
26 COLLECT, REPORT AND REMIT THE PROPER SALES TAX, UNLESS THE
27 SELLER GAVE INCORRECT INFORMATION TO THE MARKETPLACE
28 FACILITATOR.

29 SECTION 6. SECTION 237(B) (1) OF THE ACT IS AMENDED,
30 SUBSECTION (B) IS AMENDED BY ADDING A PARAGRAPH AND THE SECTION

1 IS AMENDED BY ADDING SUBSECTIONS TO READ:

2 SECTION 237. COLLECTION OF TAX.--* * *

3 (B) COLLECTION BY PERSONS MAINTAINING A PLACE OF BUSINESS IN
4 THE COMMONWEALTH. (1) EVERY PERSON MAINTAINING A PLACE OF
5 BUSINESS IN THIS COMMONWEALTH AND SELLING OR LEASING TANGIBLE
6 PERSONAL PROPERTY OR SERVICES, WITH THE EXCEPTION OF A
7 MARKETPLACE SELLER WHO SOLELY MAKES SALES THROUGH A MARKETPLACE
8 FACILITATOR THAT IS REQUIRED TO COLLECT SALES TAX ON THE
9 MARKETPLACE SELLER'S BEHALF AND RECEIVES A CERTIFICATION FROM
10 THE MARKETPLACE FACILITATOR THAT THE MARKETPLACE FACILITATOR
11 WILL COLLECT, REPORT AND REMIT THE PROPER SALES TAX, THE SALE OR
12 USE OF WHICH IS SUBJECT TO TAX SHALL COLLECT THE TAX FROM THE
13 PURCHASER OR LESSEE AT THE TIME OF MAKING THE SALE OR LEASE, AND
14 SHALL REMIT THE TAX TO THE DEPARTMENT, UNLESS SUCH COLLECTION
15 AND REMITTANCE IS OTHERWISE PROVIDED FOR IN THIS ARTICLE.

16 * * *

17 (1.2) (I) A VENDOR MAINTAINING A PLACE OF BUSINESS WITHIN
18 THIS COMMONWEALTH UNDER SECTION 201(B)(3.5) IN CALENDAR YEAR
19 2018 SHALL COLLECT SALES TAX FROM JULY 1, 2019, THROUGH MARCH
20 31, 2020.

21 (II) A VENDOR MAINTAINING A PLACE OF BUSINESS WITHIN THIS
22 COMMONWEALTH UNDER SECTION 201(B)(3.5) IN CALENDAR YEARS AFTER
23 2018 SHALL COLLECT SALES TAX FROM THE SECOND QUARTER, BEGINNING
24 APRIL 1, OF THE FOLLOWING CALENDAR YEAR THROUGH THE FIRST
25 QUARTER, ENDING MARCH 31, OF THE NEXT CALENDAR YEAR.

26 * * *

27 (B.1) COLLECTION BY MARKETPLACE FACILITATORS. A MARKETPLACE
28 FACILITATOR MAINTAINING A PLACE OF BUSINESS IN THIS COMMONWEALTH
29 MUST COLLECT AND REMIT THE SALES TAX ON ALL SALES, LEASES AND
30 DELIVERIES OF TANGIBLE PERSONAL PROPERTY, AND ALL SALES OF

1 SERVICES, BY MARKETPLACE SELLERS WHOSE SALES ARE FACILITATED
2 THROUGH THE MARKETPLACE FACILITATOR'S FORUM.

3 * * *

4 (C.1) AUTHORIZATION TO OBTAIN INFORMATION. IN LIEU OF THE
5 EXEMPTION CERTIFICATE REQUIRED UNDER SUBSECTION (C), THE
6 DEPARTMENT MAY AUTHORIZE A VENDOR TO OBTAIN SIMILARLY SPECIFIC
7 INFORMATION FROM THE VENDOR'S PURCHASERS. THIS INFORMATION
8 INCLUDES, BUT IS NOT LIMITED TO, THE NAME AND ADDRESS OF THE
9 PURCHASER AND A VALID BASIS FOR EXEMPTION. THE PURCHASES MADE
10 PURSUANT TO THIS SUBSECTION MUST BE MADE WITH A VERIFIABLE
11 SOURCE OF PAYMENT CONNECTED TO THE SPECIFIC PURCHASER. THE
12 INFORMATION REGARDING EACH PURCHASE SHALL BE AVAILABLE AT THE
13 TIME THE RETURN IS FILED FOR THE PERIOD COVERING THE PURCHASE.
14 THE INFORMATION SHALL BE RETAINED IN ACCORDANCE WITH SECTION
15 271. NO SUCH AUTHORITY SHALL BE GRANTED OR EXERCISED, EXCEPT
16 UPON APPLICATION TO AND ACCEPTANCE BY THE DEPARTMENT, IN THE
17 DEPARTMENT'S DISCRETION. IF AUTHORITY IS GRANTED, IT SHALL BE
18 SUBJECT TO CONDITIONS SPECIFIED BY THE DEPARTMENT.

19 * * *

20 SECTION 7. SECTION 268 (B) OF THE ACT IS AMENDED TO READ:
21 SECTION 268. CRIMES.--* * *

22 (B) OTHER CRIMES. (1) EXCEPT AS OTHERWISE PROVIDED BY
23 SUBSECTION (A) OF THIS SECTION, ANY PERSON WHO ADVERTISES OR
24 HOLDS OUT OR STATES TO THE PUBLIC OR TO ANY PURCHASER OR USER,
25 DIRECTLY OR INDIRECTLY, THAT THE TAX OR ANY PART THEREOF IMPOSED
26 BY THIS ARTICLE WILL [BE ABSORBED BY SUCH PERSON, OR THAT IT
27 WILL] NOT BE ADDED TO THE PURCHASE PRICE OF THE TANGIBLE
28 PERSONAL PROPERTY OR SERVICES DESCRIBED IN SUBCLAUSES (2), (3),
29 (4) AND (11) THROUGH (18) OF CLAUSE (K) OF SECTION 201 OF THIS
30 ARTICLE [SOLD] OR[, IF ADDED,] THAT THE TAX OR ANY PART THEREOF

1 WILL BE REFUNDED, OTHER THAN WHEN SUCH PERSON REFUNDS THE
2 PURCHASE PRICE BECAUSE OF SUCH PROPERTY BEING RETURNED TO THE
3 VENDOR, AND ANY PERSON SELLING OR LEASING TANGIBLE PERSONAL
4 PROPERTY OR SAID SERVICES THE SALE OR USE OF WHICH BY THE
5 PURCHASER IS SUBJECT TO TAX HEREUNDER, WHO, EXCEPT AS OTHERWISE
6 PROVIDED, SHALL WILFULLY FAIL TO COLLECT THE TAX FROM THE
7 PURCHASER AND TIMELY REMIT THE SAME TO THE DEPARTMENT, AND ANY
8 PERSON WHO SHALL WILFULLY FAIL OR NEGLECT TO TIMELY FILE ANY
9 RETURN OR REPORT REQUIRED BY THIS ARTICLE OR ANY TAXPAYER WHO
10 SHALL REFUSE TO TIMELY PAY ANY TAX, PENALTY OR INTEREST IMPOSED
11 OR PROVIDED FOR BY THIS ARTICLE, OR WHO SHALL WILFULLY FAIL TO
12 PRESERVE HIS BOOKS, PAPERS AND RECORDS AS DIRECTED BY THE
13 DEPARTMENT, OR ANY PERSON WHO SHALL REFUSE TO PERMIT THE
14 DEPARTMENT OR ANY OF ITS AUTHORIZED AGENTS TO EXAMINE HIS BOOKS,
15 RECORDS OR PAPERS, OR WHO SHALL KNOWINGLY MAKE ANY INCOMPLETE,
16 FALSE OR FRAUDULENT RETURN OR REPORT, OR WHO SHALL DO, OR
17 ATTEMPT TO DO, ANYTHING WHATEVER TO PREVENT THE FULL DISCLOSURE
18 OF THE AMOUNT OR CHARACTER OF TAXABLE SALES PURCHASES OR USE
19 MADE BY HIMSELF OR ANY OTHER PERSON, OR SHALL PROVIDE ANY PERSON
20 WITH A FALSE STATEMENT AS TO THE PAYMENT OF TAX WITH RESPECT TO
21 PARTICULAR TANGIBLE PERSONAL PROPERTY OR SAID SERVICES, OR SHALL
22 MAKE, UTTER OR ISSUE A FALSE OR FRAUDULENT EXEMPTION
23 CERTIFICATE, SHALL BE GUILTY OF A MISDEMEANOR, AND, UPON
24 CONVICTION THEREOF, SHALL BE SENTENCED TO PAY A FINE NOT
25 EXCEEDING ONE THOUSAND DOLLARS (\$1000) AND COSTS OF PROSECUTION,
26 OR UNDERGO IMPRISONMENT NOT EXCEEDING ONE YEAR, OR BOTH:
27 PROVIDED, HOWEVER, [THAT ANY PERSON MAINTAINING A PLACE OF
28 BUSINESS OUTSIDE THIS COMMONWEALTH MAY ABSORB THE TAX WITH
29 RESPECT TO TAXABLE SALES MADE IN THE NORMAL COURSE OF BUSINESS
30 TO CUSTOMERS PRESENT AT SUCH PLACE OF BUSINESS WITHOUT BEING

1 SUBJECT TO THE ABOVE PENALTY AND FINES: AND PROVIDED FURTHER,
2 THAT ADVERTISING TAX-INCLUDED PRICES SHALL BE PERMISSIBLE, IF
3 THE PREPAID SERVICES ARE SOLD BY THE SERVICE PROVIDER, FOR
4 PREPAID TELECOMMUNICATIONS SERVICES NOT EVIDENCED BY THE
5 TRANSFER OF TANGIBLE PERSONAL PROPERTY OR FOR PREPAID MOBILE
6 TELECOMMUNICATIONS SERVICES.] THAT ANY PERSON MAY ADVERTISE OR
7 HOLD OUT OR STATE TO THE PUBLIC OR TO ANY PURCHASER OR USER,
8 DIRECTLY OR INDIRECTLY, THAT THE TAX OR ANY PART THEREOF IMPOSED
9 BY THIS ARTICLE WILL BE ABSORBED AND PAID BY SUCH PERSON SUBJECT
10 TO THE FOLLOWING CONDITIONS:

11 (I) SUCH PERSON SHALL EXPRESSLY STATE ON ANY RECEIPT,
12 INVOICE, SALES SLIP, OR OTHER SIMILAR DOCUMENT EVIDENCING SUCH
13 SALE GIVEN TO THE PURCHASER THAT SUCH PERSON WILL PAY THE TAX
14 IMPOSED BY THIS ARTICLE ON BEHALF OF SUCH PURCHASER AND SHALL
15 NOT INDICATE OR IMPLY THAT THE TRANSACTION IS EXEMPT OR EXCLUDED
16 FROM ANY TAX IMPOSED BY THIS ARTICLE.

17 (II) ANY RECEIPT, INVOICE, SALES SLIP, OR OTHER SIMILAR
18 DOCUMENT EVIDENCING A SALE GIVEN TO THE PURCHASER SHALL
19 SEPARATELY STATE THE AMOUNT OF TAX.

20 (III) SUCH PERSON, WHEN RECORDING THE SALE IN THE PERSON'S
21 BOOKS AND RECORDS, SHALL SEPARATELY STATE THE PURCHASE PRICE AND
22 THE TAX.

23 (IV) THE AMOUNT OF TAX SHALL BE CALCULATED BY MULTIPLYING
24 THE TOTAL PURCHASE PRICE BY THE RATE OF TAX IMPOSED BY SECTION
25 202.

26 (3) IF ANY PERSON ADVERTISES OR HOLDS OUT OR STATES TO THE
27 PUBLIC OR TO ANY PURCHASER OR USER, DIRECTLY OR INDIRECTLY, THAT
28 SUCH PERSON WILL ABSORB AND PAY THE TAX, SUBJECT TO THE
29 CONDITIONS OF THIS SUBSECTION, SUCH PERSON SHALL BE SOLELY
30 RESPONSIBLE AND LIABLE FOR ANY TAX IMPOSED BY THIS ARTICLE,

1 NOTWITHSTANDING ANY PROVISIONS OF THIS ARTICLE TO THE CONTRARY
2 AND SHALL NOT BE ENTITLED TO A REFUND OF SUCH TAX.

3 * * *

4 SECTION 8. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

5 SECTION 279. CLASS ACTIONS.--A CLASS ACTION MAY NOT BE
6 BROUGHT AGAINST A MARKETPLACE FACILITATOR ON BEHALF OF
7 PURCHASERS ARISING FROM OR IN ANY WAY RELATED TO AN OVERPAYMENT
8 OF SALES OR USE TAX COLLECTED BY THE MARKETPLACE FACILITATOR,
9 REGARDLESS OF WHETHER SUCH ACTION IS CHARACTERIZED AS A TAX
10 REFUND CLAIM. NOTHING IN THIS SUBSECTION SHALL AFFECT A
11 PURCHASER'S RIGHT TO SEEK A REFUND FROM THE DEPARTMENT UNDER
12 OTHER PROVISIONS OF THIS ARTICLE.

13 SECTION 9. (RESERVED).

14 SECTION 10. SECTION 303(A)(5) AND (A.7)(2) OF THE ACT ARE
15 AMENDED AND SUBSECTION (A)(3) IS AMENDED BY ADDING A
16 SUBPARAGRAPH TO READ:

17 SECTION 303. CLASSES OF INCOME.--(A) THE CLASSES OF INCOME
18 REFERRED TO ABOVE ARE AS FOLLOWS:

19 * * *

20 (3) NET GAINS OR INCOME FROM DISPOSITION OF PROPERTY. NET
21 GAINS OR NET INCOME, LESS NET LOSSES, DERIVED FROM THE SALE,
22 EXCHANGE OR OTHER DISPOSITION OF PROPERTY, INCLUDING REAL
23 PROPERTY, TANGIBLE PERSONAL PROPERTY, INTANGIBLE PERSONAL
24 PROPERTY OR OBLIGATIONS ISSUED ON OR AFTER THE EFFECTIVE DATE OF
25 THIS AMENDATORY ACT BY THE COMMONWEALTH; ANY PUBLIC AUTHORITY,
26 COMMISSION, BOARD OR OTHER AGENCY CREATED BY THE COMMONWEALTH;
27 ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH OR ANY PUBLIC
28 AUTHORITY CREATED BY ANY SUCH POLITICAL SUBDIVISION; OR BY THE
29 FEDERAL GOVERNMENT AS DETERMINED IN ACCORDANCE WITH ACCEPTED
30 ACCOUNTING PRINCIPLES AND PRACTICES. FOR THE PURPOSE OF THIS

1 ARTICLE:

2 * * *

3 (VIII) THE TERM "NET GAINS OR INCOME" AND "NET LOSSES" SHALL
4 NOT INCLUDE GAINS OR INCOME OR LOSS WHICH ARE EXCLUDED FROM
5 FEDERAL TAXATION UNDER SECTION 1400Z-2 OF THE INTERNAL REVENUE
6 CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1400Z-2), AS
7 AMENDED. NET GAINS OR NET INCOME, LESS NET LOSSES, WHICH ARE
8 EXCLUDED UNDER THIS SUBPARAGRAPH SHALL BE INCLUDED IN INCOME TO
9 THE EXTENT THEY ARE INCLUDED IN GROSS INCOME UNDER SECTION
10 1400Z-2(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.
11 SECTION 1400Z-2(C) OF THE INTERNAL REVENUE CODE OF 1986, AS
12 AMENDED, SHALL APPLY IN THE COMPUTATION OF NET GAINS OR NET
13 INCOME AND NET LOSSES.

14 * * *

15 (5) DIVIDENDS. THE TERM "DIVIDENDS" SHALL NOT INCLUDE GAINS
16 OR INCOME OR LOSS WHICH ARE EXCLUDED FROM FEDERAL TAXATION UNDER
17 SECTION 1400Z-2 OF THE INTERNAL REVENUE CODE OF 1986, AS
18 AMENDED. GAINS OR INCOME OR LOSS WHICH ARE EXCLUDED UNDER THIS
19 SUBPARAGRAPH SHALL BE INCLUDED IN INCOME TO THE EXTENT THEY ARE
20 INCLUDED IN GROSS INCOME UNDER SECTION 1400Z-2(B) OF THE
21 INTERNAL REVENUE CODE OF 1986, AS AMENDED. SECTION 1400Z-2(C) OF
22 THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, SHALL APPLY IN
23 THE COMPUTATION OF NET GAINS OR NET INCOME AND NET LOSSES.

24 * * *

25 (A.7) THE FOLLOWING APPLY:

26 * * *

27 (2) (I) THE FOLLOWING SHALL NOT BE SUBJECT TO TAX UNDER
28 THIS ARTICLE:

29 (A) ANY AMOUNT DISTRIBUTED FROM A QUALIFIED TUITION PROGRAM
30 THAT IS EXCLUDABLE FROM TAX UNDER SECTION 529(C) (3) (B) OF THE

1 INTERNAL REVENUE CODE OF 1986, AS AMENDED.

2 (B) ANY ROLLOVER THAT IS EXCLUDABLE FROM TAX UNDER SECTION
3 529(C) (3) (C) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

4 (C) UNDISTRIBUTED EARNINGS ON A QUALIFIED TUITION PROGRAM.

5 (D) THE VALUE OF A MEDAL AWARDED BY OR PRIZE MONEY RECEIVED
6 FROM THE UNITED STATES OLYMPIC COMMITTEE ON ACCOUNT OF
7 COMPETITION IN THE OLYMPIC GAMES OR PARALYMPIC GAMES.

8 (II) A CHANGE IN DESIGNATED BENEFICIARIES UNDER SECTION
9 529(C) (3) (C) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED,
10 SHALL NOT CONSTITUTE A TAXABLE EVENT UNDER THIS ARTICLE.

11 * * *

12 SECTION 10.1. THE ACT IS AMENDED BY ADDING A SECTION TO
13 READ:

14 SECTION 315.14. CONTRIBUTION FOR VETERANS' TRUST FUND.--(A)
15 FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2019, THE
16 DEPARTMENT SHALL PROVIDE A SPACE ON THE PENNSYLVANIA INDIVIDUAL
17 INCOME TAX RETURN FORM WHEREBY AN INDIVIDUAL MAY VOLUNTARILY
18 DESIGNATE A CONTRIBUTION, IN ANY AMOUNT, TO THE VETERANS' TRUST
19 FUND. THE AMOUNT SO DESIGNATED SHALL BE DEDUCTED FROM THE TAX
20 REFUND TO WHICH THE INDIVIDUAL IS ENTITLED AND SHALL NOT
21 CONSTITUTE A CHARGE AGAINST THE INCOME TAX REVENUES DUE TO THE
22 COMMONWEALTH.

23 (B) THE DEPARTMENT SHALL DETERMINE ANNUALLY THE TOTAL AMOUNT
24 DESIGNATED UNDER THIS SECTION, LESS REASONABLE ADMINISTRATIVE
25 COSTS, AND SHALL REPORT THE AMOUNT TO THE STATE TREASURER WHO
26 SHALL TRANSFER THE AMOUNT TO THE VETERANS' TRUST FUND.

27 (C) THE DEPARTMENT SHALL PROVIDE ADEQUATE INFORMATION
28 CONCERNING THE CHECKOFF FOR THE VETERANS' TRUST FUND IN ITS
29 INSTRUCTIONS WHICH ACCOMPANY THE PENNSYLVANIA INCOME TAX RETURN
30 FORMS. THE INFORMATION CONCERNING THE CHECKOFF SHALL INCLUDE THE

1 LISTING OF AN ADDRESS FURNISHED BY THE DEPARTMENT OF MILITARY
2 AND VETERANS AFFAIRS TO WHICH CONTRIBUTIONS MAY BE SENT BY
3 TAXPAYERS WISHING TO CONTRIBUTE TO THIS EFFORT BUT WHO DO NOT
4 RECEIVE REFUNDS.

5 (D) THE DEPARTMENT OF MILITARY AND VETERANS AFFAIRS SHALL
6 REPORT ANNUALLY TO THE RESPECTIVE COMMITTEES OF THE SENATE AND
7 THE HOUSE OF REPRESENTATIVES WHICH HAVE JURISDICTION OVER
8 MILITARY AND VETERANS AFFAIRS ON THE AMOUNT RECEIVED VIA THE
9 CHECKOFF PLAN AND HOW THE FUNDS WERE UTILIZED.

10 SECTION 10.2. SECTION 331(G) OF THE ACT IS AMENDED TO READ:

11 SECTION 331. RETURNS OF MARRIED INDIVIDUALS, DECEASED OR
12 DISABLED INDIVIDUALS AND FIDUCIARIES.--* * *

13 (G) THE RETURN FOR AN ESTATE OR TRUST SHALL BE MADE AND
14 FILED BY THE FIDUCIARY. IF TWO OR MORE FIDUCIARIES ARE ACTING
15 JOINTLY, THE RETURN MAY BE MADE BY ANY ONE OF THEM. IF THE
16 EXECUTOR OF THE ESTATE AND TRUSTEE OF THE TRUST MAKE AN ELECTION
17 UNDER SECTION 645 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC
18 LAW 99-514, 26 U.S.C. § 645), AS AMENDED, TO TREAT THE INCOME OF
19 THE TRUST AS PART OF THE ESTATE, THE FIDUCIARY MAY MAKE AND FILE
20 A JOINT TAX RETURN FOR THE ESTATE AND TRUST UNDER THIS
21 SUBSECTION FOR THE TAXABLE YEARS WHEN THE TRUST INCOME IS
22 REPORTED AS PART OF THE ESTATE INCOME IN ACCORDANCE WITH SECTION
23 645 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. IF THE
24 INCOME TAX LIABILITIES OF THE ESTATE AND TRUST ARE FILED ON A
25 JOINT TAX RETURN UNDER THIS SUBSECTION, THE TAX LIABILITIES OF
26 THE ESTATE AND TRUST SHALL BE JOINT AND SEVERAL. THE PROVISIONS
27 OF SUBSECTION (D) SHALL BE APPLICABLE TO A JOINT TAX RETURN
28 FILED UNDER THIS SUBSECTION.

29 SECTION 10.3. THE ACT IS AMENDED BY ADDING A SECTION TO
30 READ:

1 SECTION 336.3. PAID TAX RETURN PREPARERS; REQUIRED
2 INFORMATION ON PERSONAL INCOME TAX RETURNS.-- (A) FOR TAXABLE
3 YEARS BEGINNING ON OR AFTER JANUARY 1, 2020, ANY PERSONAL INCOME
4 TAX RETURN PREPARED BY A PAID TAX RETURN PREPARER SHALL BE
5 SIGNED BY THE PAID TAX RETURN PREPARER AND SHALL BEAR THE PAID
6 TAX RETURN PREPARER'S INTERNAL REVENUE SERVICE PREPARER TAX
7 IDENTIFICATION NUMBER.

8 (B) (1) THE DEPARTMENT MAY IMPOSE AN ADMINISTRATIVE PENALTY
9 OF FIFTY DOLLARS (\$50) ON A PAID TAX RETURN PREPARER EACH TIME
10 THE PAID TAX RETURN PREPARER FAILS TO SIGN THE RETURN OR FAILS
11 TO PROVIDE THE PREPARER'S TAX IDENTIFICATION NUMBER.

12 (2) THE MAXIMUM AMOUNT IMPOSED ON ANY INDIVIDUAL PAID TAX
13 RETURN PREPARER UNDER PARAGRAPH (1) SHALL NOT EXCEED TWENTY-FIVE
14 THOUSAND DOLLARS (\$25,000) PER PAID TAX RETURN PREPARER IN A
15 CALENDAR YEAR.

16 (C) AS USED IN THIS SECTION:

17 "PAID TAX RETURN PREPARER" SHALL MEAN A PERSON WHO PREPARES
18 FOR COMPENSATION, OR EMPLOYS ONE OR MORE PERSONS TO PREPARE FOR
19 COMPENSATION, A PERSONAL INCOME TAX RETURN REQUIRED TO BE FILED
20 UNDER THIS ACT. PREPARATION OF A SUBSTANTIAL PORTION OF A
21 PERSONAL INCOME TAX RETURN SHALL BE TREATED AS IF IT WERE THE
22 PREPARATION OF THE PERSONAL INCOME TAX RETURN.

23 SECTION 10.4. SECTION 407.7(A) AND (D) (1) AND (2) OF THE ACT
24 ARE AMENDED AND SUBSECTION (D) IS AMENDED BY ADDING PARAGRAPHS
25 TO READ:

26 SECTION 407.7. MANUFACTURING INNOVATION AND REINVESTMENT
27 DEDUCTION.-- (A) IN ORDER TO BE ELIGIBLE TO RECEIVE A
28 MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION, A TAXPAYER
29 MUST DEMONSTRATE TO THE DEPARTMENT A PRIVATE CAPITAL INVESTMENT
30 IN EXCESS OF [ONE HUNDRED MILLION DOLLARS (\$100,000,000)] SIXTY

1 MILLION DOLLARS (\$60,000,000) FOR THE CREATION OF NEW OR
2 REFURBISHED MANUFACTURING CAPACITY WITHIN THREE YEARS OF A
3 DESIGNATED START DATE.

4 * * *

5 (D) [(1) UPON DETERMINING A TAXPAYER'S SATISFACTION OF THE
6 ELIGIBILITY CRITERIA, THE DEPARTMENT SHALL CALCULATE THE MAXIMUM
7 ALLOWABLE DEDUCTION THAT A TAXPAYER MAY CLAIM AGAINST THE
8 TAXPAYER'S TAXABLE INCOME UNDER THIS ARTICLE. THE DEDUCTION
9 SHALL BE EQUAL TO FIVE PER CENT OF THE PRIVATE CAPITAL
10 INVESTMENT UTILIZED IN THE CREATION OF NEW OR REFURBISHED
11 MANUFACTURING CAPACITY PER TAX YEAR FOR A PERIOD OF FIVE YEARS.]

12 (2) A TAXPAYER MAY UTILIZE THE AMOUNT OF THE DEDUCTION IN
13 EACH YEAR OF THE SUCCEEDING FIVE TAX YEARS IMMEDIATELY FOLLOWING
14 THE DEPARTMENT'S SATISFACTION DETERMINATION AND THE EXECUTION OF
15 A SATISFACTION COMMITMENT LETTER.]

16 (1.1) IF THE PRIVATE CAPITAL INVESTMENT IS IN EXCESS OF
17 SIXTY MILLION DOLLARS (\$60,000,000), BUT NOT MORE THAN ONE
18 HUNDRED MILLION DOLLARS (\$100,000,000), THE MAXIMUM ALLOWABLE
19 DEDUCTION SHALL BE EQUAL TO THIRTY-SEVEN AND ONE-HALF PER CENT
20 OF THE PRIVATE CAPITAL INVESTMENT UTILIZED IN THE CREATION OF
21 NEW OR REFURBISHED MANUFACTURING CAPACITY. A TAXPAYER MAY
22 UTILIZE THE DEDUCTION IN AN AMOUNT NOT TO EXCEED SEVEN AND ONE-
23 HALF PER CENT OF THE PRIVATE CAPITAL INVESTMENT UTILIZED IN THE
24 CREATION OF NEW OR REFURBISHED MANUFACTURING CAPACITY IN ANY ONE
25 YEAR OF THE SUCCEEDING TEN TAX YEARS IMMEDIATELY FOLLOWING THE
26 DEPARTMENT'S SATISFACTION DETERMINATION AND THE EXECUTION OF A
27 SATISFACTION COMMITMENT LETTER, UP TO THE MAXIMUM ALLOWABLE
28 DEDUCTION.

29 (1.2) IF THE PRIVATE CAPITAL INVESTMENT EXCEEDS ONE HUNDRED
30 MILLION DOLLARS (\$100,000,000), THE MAXIMUM ALLOWABLE DEDUCTION

1 SHALL BE EQUAL TO TWENTY-FIVE PER CENT OF THE PRIVATE CAPITAL
2 INVESTMENT UTILIZED IN THE CREATION OF NEW OR REFURBISHED
3 MANUFACTURING CAPACITY. A TAXPAYER MAY UTILIZE THE DEDUCTION IN
4 AN AMOUNT NOT TO EXCEED FIVE PER CENT OF THE PRIVATE CAPITAL
5 INVESTMENT UTILIZED IN THE CREATION OF NEW OR REFURBISHED
6 MANUFACTURING CAPACITY IN ANY ONE YEAR OF THE SUCCEEDING TEN TAX
7 YEARS IMMEDIATELY FOLLOWING THE DEPARTMENT'S SATISFACTION
8 DETERMINATION AND THE EXECUTION OF A SATISFACTION COMMITMENT
9 LETTER, UP TO THE MAXIMUM ALLOWABLE DEDUCTION.

10 * * *

11 SECTION 10.5. SECTION 1101-C OF THE ACT IS AMENDED BY ADDING
12 DEFINITIONS TO READ:

13 SECTION 1101-C. DEFINITIONS.--THE FOLLOWING WORDS WHEN USED
14 IN THIS ARTICLE SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THIS
15 SECTION:

16 "AGRICULTURAL PRODUCTION." AS DEFINED IN SECTION 3 OF THE
17 ACT OF JUNE 30, 1981 (P.L.128, NO.43), KNOWN AS THE
18 "AGRICULTURAL AREA SECURITY LAW."

19 * * *

20 "QUALIFIED BEGINNER FARMER." A PERSON THAT:

21 (1) HAS DEMONSTRATED EXPERIENCE IN THE AGRICULTURE INDUSTRY
22 OR RELATED FIELD OR HAS TRANSFERABLE SKILLS AS DETERMINED BY THE
23 DEPARTMENT OF AGRICULTURE.

24 (2) HAS NOT RECEIVED FEDERAL GROSS INCOME FROM AGRICULTURAL
25 PRODUCTION FOR MORE THAN THE TEN MOST RECENT TAXABLE YEARS.

26 (3) INTENDS TO ENGAGE IN AGRICULTURAL PRODUCTION WITHIN THE
27 BORDERS OF THIS COMMONWEALTH AND TO PROVIDE THE MAJORITY OF THE
28 LABOR AND MANAGEMENT INVOLVED IN THAT AGRICULTURAL PRODUCTION.

29 (4) HAS OBTAINED WRITTEN CERTIFICATION FROM THE DEPARTMENT
30 OF AGRICULTURE CONFIRMING QUALIFIED BEGINNER FARMER STATUS.

1 * * *

2 SECTION 10.6. SECTION 1102-C.3(18) OF THE ACT IS AMENDED BY
3 ADDING A SUBPARAGRAPH TO READ:

4 SECTION 1102-C.3. EXCLUDED TRANSACTIONS.--THE TAX IMPOSED BY
5 SECTION 1102-C SHALL NOT BE IMPOSED UPON:

6 * * *

7 (18) ANY OF THE FOLLOWING:

8 * * *

9 (VII) A TRANSFER OF REAL ESTATE THAT IS SUBJECT TO AN
10 AGRICULTURAL CONSERVATION EASEMENT ESTABLISHED UNDER AUTHORITY
11 OF THE ACT OF JUNE 30, 1981 (P.L.128, NO.43), KNOWN AS THE
12 "AGRICULTURAL AREA SECURITY LAW," TO A QUALIFIED BEGINNER
13 FARMER.

14 * * *

15 SECTION 10.7. THE ACT IS AMENDED BY ADDING A SECTION TO
16 READ:

17 SECTION 1102-C.6. TRANSFER OF TAX.--(A) SUBJECT TO
18 SUBSECTION (B), BEGINNING JULY 31, 2019, AND EACH JULY 31
19 THEREAFTER, THE STATE TREASURER SHALL TRANSFER FROM THE GENERAL
20 FUND TO THE HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT
21 FUND UNDER ARTICLE IV-D OF THE ACT OF DECEMBER 3, 1959
22 (P.L.1688, NO.621), KNOWN AS THE "HOUSING FINANCE AGENCY LAW,"
23 AN AMOUNT EQUAL TO FORTY PER CENT OF THE DIFFERENCE BETWEEN:

24 (1) THE TOTAL AMOUNT OF THE TAX IMPOSED UNDER SECTION 1102-C
25 AND COLLECTED BY THE COMMONWEALTH FOR THE PRIOR FISCAL YEAR; AND
26 (2) THE TOTAL DOLLAR AMOUNT OF SUCH TAX ESTIMATED FOR THE
27 FISCAL YEAR BEGINNING JULY 1, 2014, AND AS CONTAINED IN THE
28 FINAL ESTIMATE SIGNED BY THE GOVERNOR FOR THAT FISCAL YEAR AS
29 REQUIRED BY SECTION 618 OF THE ACT OF APRIL 9, 1929 (P.L.177,
30 NO.175), KNOWN AS "THE ADMINISTRATIVE CODE OF 1929."

1 (B) THE AMOUNT TRANSFERRED UNDER SUBSECTION (A) MAY NOT
2 EXCEED FORTY MILLION DOLLARS (\$40,000,000).

3 (C) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO REDUCE OR
4 PROHIBIT INCREASED FUNDING FOR THE HOUSING AFFORDABILITY AND
5 REHABILITATION ENHANCEMENT FUND OR THE KEYSTONE RECREATION, PARK
6 AND CONSERVATION FUND AS PROVIDED IN THE "HOUSING FINANCE AGENCY
7 LAW" OR OTHER LAW.

8 SECTION 10.8. THE DEFINITION OF "POSTPRODUCTION EXPENSE" IN
9 SECTION 1711-D OF THE ACT IS AMENDED AND THE SECTION IS AMENDED
10 BY ADDING A DEFINITION TO READ:

11 SECTION 1711-D. DEFINITIONS.

12 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE
13 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
14 CONTEXT CLEARLY INDICATES OTHERWISE:

15 * * *

16 "POSTPRODUCTION EXPENSE." A POSTPRODUCTION EXPENSE OF
17 ORIGINAL CONTENT FOR A FILM AS FOLLOWS:

18 (1) THE TERM INCLUDES TRADITIONAL, EMERGING AND NEW
19 WORK-FLOW TECHNIQUES USED IN POSTPRODUCTION FOR ANY OF THE
20 FOLLOWING:

21 (I) PICTURE, SOUND AND MUSIC EDITORIAL, RERECORDING
22 AND MIXING.

23 (II) VISUAL EFFECTS.

24 (III) GRAPHIC DESIGN.

25 (IV) ORIGINAL SCORING.

26 (V) ANIMATION.

27 (VI) MUSICAL COMPOSITION.

28 (VII) MASTERING.

29 (VIII) DUBBING.

30 (IX) THE PURCHASE OF MUSIC RIGHTS IF THE FOLLOWING

1 APPLY:

2 (A) THE PURCHASE IS FROM A RESIDENT OF THIS
3 COMMONWEALTH.

4 (B) THE PURCHASE IS FROM AN ENTITY SUBJECT TO
5 TAXATION IN THIS COMMONWEALTH AND THE TRANSACTION IS
6 SUBJECT TO TAXATION UNDER ARTICLE III, IV OR VI.

7 (2) THE TERM DOES NOT INCLUDE ANY OF THE FOLLOWING:

8 (I) EDITING PREVIOUSLY PRODUCED CONTENT FOR A FILM.

9 (II) NEWS OR CURRENT AFFAIRS.

10 (III) TALK SHOWS.

11 (IV) INSTRUCTIONAL VIDEOS.

12 (V) CONTENT WHICH CONTAINS OBSCENE MATERIAL OR
13 PERFORMANCES AS DEFINED IN 18 PA.C.S. § 5903(B).

14 * * *

15 "TAX DISTRICT CAPITAL INVESTMENT." INVESTMENT WITHIN A FILM
16 PRODUCTION TAX CREDIT DISTRICT THAT MAY CONSIST OF NEW
17 CONSTRUCTION, RENOVATION, REAL PROPERTY IMPROVEMENT AND A
18 SIMILAR INVESTMENT AS WELL AS OTHER ECONOMIC DEVELOPMENT
19 EXPENDITURES WITHIN THE COMMONWEALTH ARISING DIRECTLY FROM THE
20 INVESTMENT.

21 SECTION 10.9. SECTION 1714-D(F) OF THE ACT IS AMENDED AND
22 THE SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:
23 SECTION 1714-D. CARRYOVER, CARRYBACK AND ASSIGNMENT OF CREDIT.

24 * * *

25 (F) PURCHASERS AND ASSIGNEES.--EXCEPT AS [SET FORTH IN
26 SUBSECTION (G)] PROVIDED IN SUBSECTIONS (G) AND (H), THE
27 FOLLOWING APPLY:

28 (1) THE PURCHASER OR ASSIGNEE OF ALL OR A PORTION OF A
29 TAX CREDIT UNDER SUBSECTION (E) SHALL IMMEDIATELY CLAIM THE
30 CREDIT IN THE TAXABLE YEAR IN WHICH THE PURCHASE OR

1 ASSIGNMENT IS MADE.

2 (2) THE AMOUNT OF THE TAX CREDIT THAT A PURCHASER OR
3 ASSIGNEE MAY USE AGAINST ANY ONE QUALIFIED TAX LIABILITY MAY
4 NOT EXCEED 50% OF SUCH QUALIFIED TAX LIABILITY FOR THE
5 TAXABLE YEAR.

6 (3) THE PURCHASER OR ASSIGNEE MAY NOT CARRY FORWARD,
7 CARRY BACK OR OBTAIN A REFUND OF OR SELL OR ASSIGN THE TAX
8 CREDIT.

9 (4) THE PURCHASER OR ASSIGNEE SHALL NOTIFY THE
10 DEPARTMENT OF REVENUE OF THE SELLER OR ASSIGNOR OF THE TAX
11 CREDIT IN COMPLIANCE WITH PROCEDURES SPECIFIED BY THE
12 DEPARTMENT OF REVENUE.

13 * * *

14 (H) FULL UTILIZATION OF TAX CREDITS.--A TAX CREDIT AWARDED
15 UNDER THIS ARTICLE MAY BE SOLD OR ASSIGNED TO A PURCHASER OR
16 ASSIGNEE INCLUDED IN THE SAME FEDERAL CONSOLIDATED TAX RETURN AS
17 PERMITTED UNDER SECTIONS 1501 AND 1502 OF THE INTERNAL REVENUE
18 CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. §§ 1501 AND 1502),
19 FILED BY THE TAXPAYER UNDER SUBSECTION (A) TO REDUCE OR
20 ELIMINATE THE QUALIFIED TAX LIABILITY TO THE SAME EXTENT
21 ALLOWABLE FOR THE TAXPAYER UNDER SUBSECTIONS (A), (B) AND (C).
22 TAX CREDITS SOLD OR ASSIGNED UNDER THIS SUBSECTION ARE LIMITED
23 TO THE TAXABLE YEAR IN WHICH THE PURCHASE OR ASSIGNMENT IS MADE
24 AND MAY ONLY BE CARRIED FORWARD FOR THE REMAINDER OF THE CARRY-
25 FORWARD PERIOD OF THE ORIGINAL CREDIT.

26 SECTION 11. SECTIONS 1716-D(A) AND 1716.2-D(B) OF THE ACT
27 ARE AMENDED TO READ:

28 SECTION 1716-D. LIMITATIONS.

29 (A) CAP.--EXCEPT FOR TAX CREDITS REISSUED UNDER SECTION
30 [1761.1-D] 1716.1-D, IN NO CASE SHALL THE AGGREGATE AMOUNT OF

1 TAX CREDITS AWARDED IN ANY FISCAL YEAR UNDER THIS SUBARTICLE
2 EXCEED [\$65,000,000] \$70,000,000. THE DEPARTMENT MAY, IN ITS
3 DISCRETION, AWARD IN ONE FISCAL YEAR UP TO:

4 (1) THIRTY PERCENT OF THE DOLLAR AMOUNT OF FILM
5 PRODUCTION TAX CREDITS AVAILABLE TO BE AWARDED IN THE NEXT
6 SUCCEEDING FISCAL YEAR.

7 (2) TWENTY PERCENT OF THE DOLLAR AMOUNT OF FILM
8 PRODUCTION TAX CREDITS AVAILABLE TO BE AWARDED IN THE SECOND
9 SUCCESSIVE FISCAL YEAR.

10 (3) TEN PERCENT OF THE DOLLAR AMOUNT OF FILM PRODUCTION
11 TAX CREDITS AVAILABLE TO BE AWARDED IN THE THIRD SUCCESSIVE
12 FISCAL YEAR.

13 * * *

14 SECTION 1716.2-D. FILM PRODUCTION TAX CREDIT DISTRICTS.

15 * * *

16 (B) CRITERIA.--A FILM PRODUCTION TAX CREDIT DISTRICT SHALL:

17 (1) BE AT LEAST 55 ACRES IN SIZE.

18 (2) BE LOCATED ON DETERIORATED PROPERTY.

19 (3) BE COMPRISED OF A PARCEL THAT IS OR WILL BE OCCUPIED
20 BY TWO OR MORE QUALIFIED BUSINESSES THAT:

21 (I) IN THE AGGREGATE, MAKE A TAX DISTRICT CAPITAL
22 INVESTMENT OF AT LEAST \$400,000,000 [WITHIN THE DISTRICT]
23 WITHIN [FIVE] EIGHT YEARS AFTER THE EFFECTIVE DATE OF THE
24 DESIGNATION OF THE DISTRICT; AND

25 (II) ARE DEDICATED TO FILM PRODUCTION ACTIVITY,
26 POSTPRODUCTION ACTIVITY OR OTHER ACTIVITIES THAT DIRECTLY
27 OR INDIRECTLY SUPPORT FILM PRODUCTION ACTIVITY OCCURRING
28 WITHIN THE DISTRICT OR WITHIN THIS COMMONWEALTH.

29 (4) CONTAIN AT LEAST ONE QUALIFIED PRODUCTION FACILITY
30 AND [SIX] TWO SOUND STAGES.

1 * * *

2 SECTION 12. THE DEFINITIONS OF "MINIMUM REHEARSAL AND TOUR
3 REQUIREMENTS," "REHEARSAL EXPENSE," "REHEARSAL FACILITY,"
4 "TAXPAYER" AND "TOUR EXPENSE" IN SECTION 1772-D OF THE ACT ARE
5 AMENDED AND THE SECTION IS AMENDED BY ADDING A DEFINITION TO
6 READ:

7 SECTION 1772-D. DEFINITIONS.

8 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE
9 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
10 CONTEXT CLEARLY INDICATES OTHERWISE:

11 * * *

12 "MINIMUM REHEARSAL AND TOUR REQUIREMENTS." DURING A TOUR,
13 ALL OF THE FOLLOWING MUST OCCUR:

14 (1) THE PURCHASE OR RENTAL OF CONCERT TOUR EQUIPMENT
15 DELIVERED TO A LOCATION IN THIS COMMONWEALTH, IN AN AMOUNT OF
16 AT LEAST \$3,000,000, FROM COMPANIES LOCATED AND MAINTAINING A
17 PLACE OF BUSINESS IN THIS COMMONWEALTH FOR USE ON THE TOUR.

18 (2) A REHEARSAL AT A QUALIFIED REHEARSAL FACILITY FOR A
19 MINIMUM OF 10 DAYS.

20 (3) AT LEAST ONE CONCERT PERFORMED AT A CLASS 1 VENUE.

21 (4) AT LEAST ONE CONCERT PERFORMED AT A VENUE WHICH IS
22 LOCATED IN A MUNICIPALITY OTHER THAN THE MUNICIPALITY IN
23 WHICH THE CLASS 1 VENUE UNDER PARAGRAPH (3) IS LOCATED.

24 (5) THE TAXPAYER SHALL MAINTAIN A PLACE OF BUSINESS IN
25 THE COMMONWEALTH OR EMPLOY A REPRESENTATIVE FOR THE PERIOD
26 BEGINNING WITH THE START DATE AND ENDING WITH THE AWARD OF
27 TAX CERTIFICATES UNDER SECTION 1773-D(E).

28 * * *

29 "REHEARSAL EXPENSE." ALL OF THE FOLLOWING WHEN INCURRED OR
30 WILL BE INCURRED DURING A REHEARSAL:

1 (1) COMPENSATION PAID OR TO BE PAID TO AN INDIVIDUAL
2 EMPLOYED IN THE REHEARSAL OF THE PERFORMANCE.

3 (2) PAYMENT TO A PERSONAL SERVICE CORPORATION
4 REPRESENTING INDIVIDUAL TALENT.

5 (3) PAYMENT TO A PASS-THROUGH ENTITY REPRESENTING
6 INDIVIDUAL TALENT.

7 (4) THE COSTS OF CONSTRUCTION, OPERATIONS, EDITING,
8 PHOTOGRAPHY, STAGING, LIGHTING, WARDROBE AND ACCESSORIES.

9 (5) THE COST OF LEASING VEHICLES.

10 (6) THE COST OF TRANSPORTATION OF PEOPLE OR CONCERT TOUR
11 EQUIPMENT TO OR FROM A TRAIN STATION, BUS DEPOT, AIRPORT OR
12 OTHER TRANSPORTATION FACILITY OR DIRECTLY FROM A RESIDENCE OR
13 BUSINESS ENTITY.

14 (6.1) THE COST OF GROUND TRANSPORTATION OF INDIVIDUALS
15 FOR AN ENTIRE TOUR IF THE GROUND TRANSPORTATION IS PURCHASED
16 OR WILL BE PURCHASED FROM A TRANSPORTATION COMPANY
17 MAINTAINING A PLACE OF BUSINESS IN THIS COMMONWEALTH AND IS
18 PROVIDED OR WILL BE PROVIDED BY A RESIDENT OF THIS
19 COMMONWEALTH.

20 (6.2) THE COST OF GROUND TRANSPORTATION OF CONCERT TOUR
21 EQUIPMENT FOR AN ENTIRE TOUR IF THE GROUND TRANSPORTATION IS
22 PURCHASED OR WILL BE PURCHASED FROM A TRANSPORTATION COMPANY
23 MAINTAINING A PLACE OF BUSINESS IN THIS COMMONWEALTH AND IS
24 PROVIDED OR WILL BE PROVIDED BY A RESIDENT OF THIS
25 COMMONWEALTH.

26 (7) THE COST OF INSURANCE COVERAGE[.] FOR AN ENTIRE TOUR
27 IF THE INSURANCE COVERAGE IS PURCHASED OR WILL BE PURCHASED
28 THROUGH AN INSURANCE AGENT MAINTAINING A PLACE OF BUSINESS IN
29 THIS COMMONWEALTH.

30 (8) THE COST OF FOOD AND LODGING.

1 (9) THE COST OF PURCHASE OR RENTAL OF CONCERT TOUR
2 EQUIPMENT.

3 (10) THE COST OF RENTING A REHEARSAL FACILITY.

4 (11) THE COST OF EMERGENCY OR MEDICAL SUPPORT SERVICES
5 REQUIRED TO CONDUCT A REHEARSAL.

6 "REHEARSAL FACILITY." AS FOLLOWS:

7 (1) A FACILITY PRIMARILY USED FOR REHEARSALS WHICH IS
8 ALL OF THE FOLLOWING:

9 (I) LOCATED WITHIN THIS COMMONWEALTH.

10 (II) HAS A MINIMUM OF [25,000] 20,000 SQUARE FEET OF
11 COLUMN-FREE, UNOBSTRUCTED FLOOR SPACE.

12 (2) THE TERM DOES NOT INCLUDE A FACILITY AT WHICH
13 CONCERTS ARE CAPABLE OF BEING HELD.

14 * * *

15 "REPRESENTATIVE." A PERSON THAT MEETS ALL OF THE FOLLOWING
16 CRITERIA:

17 (1) IS AUTHORIZED TO COMMUNICATE WITH THE DEPARTMENT ON
18 BEHALF OF A TAXPAYER REGARDING AN APPLICATION SUBMITTED UNDER
19 SECTION 1773-D(E).

20 (2) MAINTAINS A PLACE OF BUSINESS IN THIS COMMONWEALTH.

21 (3) HAS SUBSTANTIAL EXPERIENCE WORKING WITH THE
22 PENNSYLVANIA LIVE EVENTS INDUSTRY.

23 * * *

24 "TAXPAYER." A [CONCERT TOUR PROMOTION COMPANY, CONCERT TOUR
25 MANAGEMENT COMPANY OR OTHER CONCERT MANAGEMENT COMPANY] MUSICAL
26 PERFORMER OR PERFORMERS OR A CONCERT TOUR MANAGEMENT COMPANY OF
27 A MUSICAL PERFORMER OR PERFORMERS SUBJECT TO TAX UNDER ARTICLE
28 III, IV OR VI. THE TERM DOES NOT INCLUDE CONTRACTORS OR
29 SUBCONTRACTORS OF A [CONCERT TOUR PROMOTION COMPANY, CONCERT
30 TOUR MANAGEMENT COMPANY OR OTHER CONCERT MANAGEMENT COMPANY]

1 MUSICAL PERFORMER OR PERFORMERS OR OF A CONCERT TOUR MANAGEMENT
2 COMPANY OF A MUSICAL PERFORMER OR PERFORMERS.

3 * * *

4 "TOUR EXPENSE." AS FOLLOWS:

5 (1) COSTS INCURRED OR WHICH WILL BE INCURRED DURING A
6 TOUR FOR VENUES LOCATED IN THIS COMMONWEALTH. THE TERM
7 INCLUDES ALL OF THE FOLLOWING:

8 (I) A PAYMENT WHICH IS MADE OR WILL BE MADE BY A
9 RECIPIENT TO A PERSON UPON WHICH WITHHOLDING WILL BE MADE
10 ON THE PAYMENT BY THE RECIPIENT AS REQUIRED UNDER PART
11 VII OF ARTICLE III OR A PAYMENT WHICH IS MADE OR WILL BE
12 MADE TO A PERSON WHO IS REQUIRED TO MAKE ESTIMATED
13 PAYMENTS UNDER PART VIII OF ARTICLE III.

14 (II) THE COST OF TRANSPORTATION OF PEOPLE [OR
15 CONCERT TOURING EQUIPMENT] WHICH IS INCURRED OR WILL BE
16 INCURRED WHILE TRANSPORTING TO OR FROM A TRAIN STATION,
17 BUS DEPOT, AIRPORT OR OTHER TRANSPORTATION FACILITY OR
18 WHILE TRANSPORTING DIRECTLY FROM A RESIDENCE OR BUSINESS
19 ENTITY LOCATED IN THIS COMMONWEALTH, OR WHICH IS INCURRED
20 OR WILL BE INCURRED FOR TRANSPORTATION PROVIDED BY A
21 COMPANY WHICH IS SUBJECT TO THE TAX IMPOSED UNDER ARTICLE
22 III OR IV.

23 (III) THE COST OF LEASING VEHICLES UPON WHICH THE
24 TAX IMPOSED BY ARTICLE II WILL BE PAID OR ACCRUED.

25 [(IV) THE COST OF INSURANCE COVERAGE WHICH IS
26 PURCHASED OR WILL BE PURCHASED THROUGH AN INSURANCE AGENT
27 BASED IN THIS COMMONWEALTH.]

28 (V) THE COST OF PURCHASING OR RENTING FACILITIES AND
29 EQUIPMENT FROM OR THROUGH A RESIDENT OF THIS COMMONWEALTH
30 OR AN ENTITY SUBJECT TO TAXATION IN THIS COMMONWEALTH.

1 (VI) THE COST OF FOOD AND LODGING WHICH IS INCURRED
2 OR WILL BE INCURRED FROM A FACILITY LOCATED IN THIS
3 COMMONWEALTH.

4 (VII) EXPENSES WHICH ARE INCURRED OR WILL BE
5 INCURRED IN MARKETING OR ADVERTISING A TOUR AT VENUES
6 LOCATED WITHIN THIS COMMONWEALTH.

7 (VIII) THE COST OF MERCHANDISE WHICH IS PURCHASED OR
8 WILL BE PURCHASED FROM A COMPANY LOCATED WITHIN THIS
9 COMMONWEALTH AND USED ON THE TOUR.

10 (IX) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A
11 PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL
12 TALENT IF THE TAX IMPOSED BY ARTICLE IV WILL BE PAID OR
13 ACCRUED ON THE NET INCOME OF THE CORPORATION FOR THE
14 TAXABLE YEAR.

15 (X) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A
16 PASS-THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT FOR
17 WHICH WITHHOLDING WILL BE MADE BY THE PASS-THROUGH ENTITY
18 ON THE PAYMENT AS REQUIRED UNDER PART VII OR VII-A OF
19 ARTICLE III.

20 (2) THE TERM DOES NOT INCLUDE DEVELOPMENT COST,
21 INCLUDING THE WRITING OF MUSIC OR LYRICS.

22 * * *

23 SECTION 13. SECTIONS 1775-D AND 1777-D OF THE ACT ARE
24 AMENDED TO READ:

25 SECTION 1775-D. CARRYOVER, CARRYBACK AND ASSIGNMENT OF TAX
26 CREDIT.

27 (A) GENERAL RULE.--IF A RECIPIENT CANNOT USE THE ENTIRE
28 AMOUNT OF A TAX CREDIT FOR THE TAXABLE YEAR IN WHICH THE TAX
29 CREDIT IS FIRST APPROVED, THE EXCESS MAY BE CARRIED OVER TO
30 SUCCEEDING TAXABLE YEARS AND USED AS A TAX CREDIT AGAINST THE

1 QUALIFIED TAX LIABILITY OF THE RECIPIENT FOR THOSE TAXABLE
2 YEARS. EACH TIME THE TAX CREDIT IS CARRIED OVER TO A SUCCEEDING
3 TAXABLE YEAR, THE TAX CREDIT SHALL BE REDUCED BY THE AMOUNT THAT
4 WAS USED AS A CREDIT DURING THE IMMEDIATELY PRECEDING TAXABLE
5 YEAR. THE TAX CREDIT MAY BE CARRIED OVER AND APPLIED TO
6 SUCCEEDING TAXABLE YEARS FOR NO MORE THAN THREE TAXABLE YEARS
7 FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE RECIPIENT WAS
8 ENTITLED TO CLAIM THE TAX CREDIT.

9 (B) APPLICATION.--A TAX CREDIT APPROVED BY THE DEPARTMENT IN
10 A TAXABLE YEAR FIRST SHALL BE APPLIED AGAINST THE RECIPIENT'S
11 QUALIFIED TAX LIABILITY FOR THE CURRENT TAXABLE YEAR AS OF THE
12 DATE ON WHICH THE TAX CREDIT WAS APPROVED BEFORE THE TAX CREDIT
13 CAN BE APPLIED AGAINST TAX LIABILITY UNDER SUBSECTION (A).

14 (C) NO CARRYBACK OR REFUND.--A RECIPIENT SHALL NOT BE
15 ENTITLED TO CARRY BACK OR OBTAIN A REFUND OF ANY PORTION OF AN
16 UNUSED TAX CREDIT GRANTED TO THE RECIPIENT UNDER THIS
17 SUBARTICLE.

18 (D) SALE OR ASSIGNMENT.--THE FOLLOWING SHALL APPLY:

19 (1) A RECIPIENT, UPON APPLICATION TO AND APPROVAL BY THE
20 DEPARTMENT, MAY SELL OR ASSIGN, IN WHOLE OR IN PART, A TAX
21 CREDIT GRANTED TO THE RECIPIENT UNDER THIS SUBARTICLE.

22 (2) THE DEPARTMENT AND THE DEPARTMENT OF REVENUE SHALL
23 JOINTLY PROMULGATE REGULATIONS FOR THE APPROVAL OF
24 APPLICATIONS UNDER THIS SUBSECTION.

25 (3) BEFORE AN APPLICATION IS APPROVED, THE DEPARTMENT OF
26 REVENUE MUST MAKE A FINDING THAT THE RECIPIENT HAS FILED ALL
27 REQUIRED STATE TAX REPORTS AND RETURNS FOR ALL APPLICABLE
28 TAXABLE YEARS AND PAID ANY BALANCE OF STATE TAX DUE AS
29 DETERMINED AT SETTLEMENT, ASSESSMENT OR DETERMINATION BY THE
30 DEPARTMENT OF REVENUE.

1 (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
2 DEPARTMENT OF REVENUE SHALL SETTLE, ASSESS OR DETERMINE THE
3 TAX OF A TAXPAYER UNDER THIS SUBSECTION WITHIN 60 DAYS OF THE
4 FILING OF ALL REQUIRED FINAL RETURNS OR REPORTS IN ACCORDANCE
5 WITH SECTION 806.1(A) (5) OF THE ACT OF APRIL 9, 1929
6 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

7 (E) PURCHASERS AND ASSIGNEES.--THE FOLLOWING APPLY:

8 (1) THE PURCHASER OR ASSIGNEE OF ALL OR A PORTION OF A
9 TAX CREDIT UNDER SUBSECTION (D) SHALL IMMEDIATELY CLAIM THE
10 TAX CREDIT IN THE TAXABLE YEAR IN WHICH THE PURCHASE OR
11 ASSIGNMENT IS MADE.

12 (2) THE AMOUNT OF THE TAX CREDIT THAT A PURCHASER OR
13 ASSIGNEE MAY USE AGAINST ONE QUALIFIED TAX LIABILITY MAY NOT
14 EXCEED 50% OF THE QUALIFIED TAX LIABILITY FOR THE TAXABLE
15 YEAR.

16 (3) THE PURCHASER OR ASSIGNEE MAY NOT CARRY FORWARD,
17 CARRY BACK OR OBTAIN A REFUND OF OR SELL OR ASSIGN THE TAX
18 CREDIT.

19 (4) THE PURCHASER OR ASSIGNEE SHALL NOTIFY THE
20 DEPARTMENT OF REVENUE OF THE SELLER OR ASSIGNOR OF THE TAX
21 CREDIT IN COMPLIANCE WITH PROCEDURES SPECIFIED BY THE
22 DEPARTMENT OF REVENUE.

23 (F) EXCEPTION.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW
24 TO THE CONTRARY, A RECIPIENT WHICH HELD A REHEARSAL AFTER
25 JANUARY 1, 2017, BUT BEFORE OCTOBER 1, 2018, MAY USE THE TAX
26 CREDIT GRANTED TO THE RECIPIENT UNDER THIS SUBARTICLE AGAINST
27 THE RECIPIENT'S 2018 QUALIFIED TAX LIABILITY OR MAY SELL OR
28 ASSIGN THE TAX CREDIT GRANTED TO THE RECIPIENT UNDER THIS
29 SUBARTICLE UPON SATISFACTION OF THE RECIPIENT'S 2018 QUALIFIED
30 TAX LIABILITY.

1 SECTION 1777-D. LIMITATIONS.

2 (A) CAP.--[EXCEPT AS PROVIDED IN THIS SUBSECTION, THE
3 DEPARTMENT MAY NOT AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND
4 TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO MORE THAN
5 FIVE TOURS IN A FISCAL YEAR.] THE AGGREGATE AMOUNT OF TAX
6 CREDITS AWARDED IN A FISCAL YEAR UNDER THIS SUBARTICLE MAY NOT
7 EXCEED \$8,000,000. IN A FISCAL YEAR, THE DEPARTMENT MAY, IN THE
8 DEPARTMENT'S DISCRETION, ADVANCE THE AWARD OF TAX CREDITS FOR
9 QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED
10 [RELATED TO A MAXIMUM OF TWO ADDITIONAL TOURS.] EQUAL TO
11 \$2,000,000 OF THE TAX CREDITS AVAILABLE TO BE AWARDED IN THE
12 SUCCEEDING FISCAL YEAR.

13 (B) ADVANCE AWARD OF CREDITS.--THE ADVANCE AWARD OF TAX
14 CREDITS UNDER SUBSECTION (A) SHALL:

15 (1) COUNT AGAINST THE TOTAL [NUMBER OF TOURS] AMOUNT OF
16 TAX CREDITS THAT THE DEPARTMENT MAY AWARD [TAX CREDITS] FOR
17 QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE
18 INCURRED RELATED TO A TOUR IN THAT NEXT SUCCEEDING FISCAL
19 YEAR; AND

20 (2) REDUCE THE [NUMBER OF TOURS] TOTAL AMOUNT OF TAX
21 CREDITS THAT THE DEPARTMENT MAY AWARD [TAX CREDITS] FOR
22 QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE
23 INCURRED RELATED TO A TOUR IN THAT NEXT SUCCEEDING FISCAL
24 YEAR.

25 (C) INDIVIDUAL LIMITATIONS.--THE FOLLOWING SHALL APPLY:

26 (1) [A TAXPAYER MAY NOT BE AWARDED MORE THAN \$800,000 OF
27 TAX CREDITS FOR A TOUR.] IF A TAXPAYER'S PURCHASE OR RENTAL
28 OF CONCERT TOUR EQUIPMENT FROM COMPANIES LOCATED AND
29 MAINTAINING A PLACE OF BUSINESS IN THIS COMMONWEALTH FOR USE
30 ON A TOUR IS AT LEAST \$3,000,000 BUT LESS THAN \$4,000,000,

1 THE TAXPAYER MAY NOT BE AWARDED MORE THAN \$800,000 OF TAX
2 CREDITS FOR THE TOUR.

3 (1.1) IF A TAXPAYER'S PURCHASE OR RENTAL OF CONCERT TOUR
4 EQUIPMENT FROM COMPANIES LOCATED AND MAINTAINING A PLACE OF
5 BUSINESS IN THIS COMMONWEALTH FOR USE ON A TOUR IS AT LEAST
6 \$4,000,000 BUT LESS THAN \$8,000,000, THE TAXPAYER MAY NOT BE
7 AWARDED MORE THAN \$1,250,000 OF TAX CREDITS FOR THE TOUR.

8 (1.2) IF A TAXPAYER'S PURCHASE OR RENTAL OF CONCERT TOUR
9 EQUIPMENT FROM COMPANIES LOCATED AND MAINTAINING A PLACE OF
10 BUSINESS IN THIS COMMONWEALTH FOR USE ON A TOUR IS AT LEAST
11 \$8,000,000, THE TAXPAYER MAY NOT BE AWARDED MORE THAN
12 \$2,000,000 OF TAX CREDITS FOR THE TOUR.

13 (2) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE
14 AGGREGATE AMOUNT OF TAX CREDITS AWARDED BY THE DEPARTMENT
15 UNDER SECTION 1773-D(E) TO A TAXPAYER FOR A TOUR WITH
16 CONCERTS AT TWO CLASS 1 VENUES OR A CLASS 1 VENUE AND A CLASS
17 2 VENUE MAY NOT EXCEED 25% OF THE QUALIFIED REHEARSAL AND
18 TOUR EXPENSES INCURRED OR TO BE INCURRED.

19 (3) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE
20 AGGREGATE AMOUNT OF TAX CREDITS AWARDED BY THE DEPARTMENT
21 UNDER SECTION 1773-D(E) TO A TAXPAYER FOR A TOUR WITH
22 CONCERTS AT A CLASS 1 VENUE AND A CLASS 3 VENUE MAY NOT
23 EXCEED 30% OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES
24 INCURRED OR TO BE INCURRED.

25 (4) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE
26 AGGREGATE AMOUNT OF TAX CREDITS AWARDED BY THE DEPARTMENT
27 UNDER SECTION 1773-D(E) TO A TAXPAYER FOR A TOUR WITH
28 CONCERTS AT A CLASS 1 VENUE AND A CLASS 3 VENUE WHICH DOES
29 NOT SERVE ALCOHOL MAY NOT EXCEED 35% OF THE QUALIFIED
30 REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED.

1 (5) IN ADDITION TO THE TAX CREDITS UNDER PARAGRAPH (2),
2 (3) OR (4), A TAXPAYER IS ELIGIBLE FOR A TAX CREDIT IN THE
3 AMOUNT OF 5% OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES
4 INCURRED OR TO BE INCURRED BY THE TAXPAYER IF THE TAXPAYER
5 HOLDS CONCERTS AT A TOTAL OF TWO OR MORE CLASS 2 VENUES OR
6 CLASS 3 VENUES.

7 (D) QUALIFIED REHEARSAL FACILITY.--TO BE CONSIDERED A
8 QUALIFIED REHEARSAL FACILITY UNDER THIS SUBARTICLE, THE OWNER OF
9 A REHEARSAL FACILITY SHALL PROVIDE EVIDENCE TO THE DEPARTMENT TO
10 VERIFY THE DEVELOPMENT OR FACILITY SPECIFICATIONS AND CAPITAL
11 IMPROVEMENT COSTS INCURRED FOR THE REHEARSAL FACILITY SO THAT
12 THE THRESHOLD AMOUNTS SET IN THE DEFINITION OF QUALIFIED
13 REHEARSAL FACILITY UNDER SECTION 1772-D ARE SATISFIED, AND, UPON
14 VERIFICATION, THE REHEARSAL FACILITY SHALL BE REGISTERED BY THE
15 DEPARTMENT OFFICIALLY AS A QUALIFIED REHEARSAL FACILITY.

16 (E) WAIVER.--THE DEPARTMENT MAY MAKE A DETERMINATION THAT
17 THE FINANCIAL BENEFIT TO THIS COMMONWEALTH RESULTING FROM THE
18 DIRECT INVESTMENT IN OR PAYMENTS MADE TO PENNSYLVANIA REHEARSAL
19 AND CONCERT FACILITIES OUTWEIGHS THE BENEFIT OF MAINTAINING THE
20 60% PENNSYLVANIA REHEARSAL EXPENSES REQUIREMENT CONTAINED IN THE
21 DEFINITION OF QUALIFIED REHEARSAL AND TOUR EXPENSE UNDER SECTION
22 1772-D. IF THE DETERMINATION IS MADE, THE DEPARTMENT MAY WAIVE
23 THE REQUIREMENT THAT 60% OF A TOUR'S AGGREGATE REHEARSAL
24 EXPENSES BE COMPRISED OF PENNSYLVANIA REHEARSAL EXPENSES.

25 SECTION 13.1. THE DEFINITIONS OF "CONSERVATION PLAN,"
26 "ELIGIBLE APPLICANTS" AND "RIPARIAN FOREST BUFFER" IN SECTION
27 1702-E OF THE ACT ARE AMENDED AND THE SECTION IS AMENDED BY
28 ADDING DEFINITIONS TO READ:

29 SECTION 1702-E. DEFINITIONS.

30 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE

1 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
2 CONTEXT CLEARLY INDICATES OTHERWISE:

3 * * *

4 "CONSERVATION PLAN." A UNITED STATES DEPARTMENT OF
5 AGRICULTURE NATURAL RESOURCES CONSERVATION SERVICE PLAN,
6 INCLUDING A SCHEDULE FOR IMPLEMENTATION, THAT IDENTIFIES SITE-
7 SPECIFIC CONSERVATION BEST MANAGEMENT PRACTICES ON AN
8 AGRICULTURAL OPERATION.

9 * * *

10 "ELIGIBLE APPLICANTS." [A BUSINESS FIRM OR AN INDIVIDUAL WHO
11 IS SUBJECT TO THE TAXES IMPOSED BY ARTICLE III, IV, VI, VII,
12 VIII, IX OR XV.] ANY OF THE FOLLOWING SUBJECT TO THE TAXES
13 IMPOSED BY ARTICLE III, IV, VI, VII, VIII, IX OR XV:

14 (1) A BUSINESS FIRM.

15 (2) AN INDIVIDUAL.

16 (3) INDIVIDUALS FILING JOINTLY.

17 * * *

18 "MANURE MANAGEMENT PLAN." A WRITTEN SITE-SPECIFIC PLAN THAT:

19 (1) OUTLINES PRACTICES FOR THE LAND APPLICATION OF
20 MANURE AND AGRICULTURAL PROCESS WASTEWATERS ACCEPTABLE TO THE
21 COMMISSION; AND

22 (2) IS DEVELOPED TO MEET THE REQUIREMENTS OF 25 PA. CODE
23 § 91.36(B) (RELATING TO POLLUTION CONTROL AND PREVENTION AT
24 AGRICULTURAL OPERATIONS).

25 * * *

26 "RIPARIAN FOREST BUFFER." AN AREA OF MOSTLY TREES OR SHRUBS
27 WHICH IS ADJACENT TO AND UP-GRADIENT FROM WATERCOURSES OR WATER
28 BODIES AND WHICH MEETS STANDARDS ESTABLISHED [BY THE UNITED
29 STATES DEPARTMENT OF AGRICULTURE NATURAL RESOURCES AND
30 CONSERVATION SERVICE] OR ADOPTED BY THE COMMISSION.

1 * * *

2 "TOTAL MAXIMUM DAILY LOAD" OR "TMDL." THE SUM OF INDIVIDUAL
3 WASTE LOAD ALLOCATIONS FOR POINT SOURCES, LOAD ALLOCATIONS FOR
4 NONPOINT SOURCES AND NATURAL QUALITY AND A MARGIN OF SAFETY
5 EXPRESSED IN TERMS OF MASS PER TIME, TOXICITY OR OTHER
6 APPROPRIATE MEASURES.

7 * * *

8 SECTION 13.2. SECTIONS 1703-E(B) (1), (2) AND (5) AND (C),
9 1704-E(A) (2), (4) AND (5), (B) (1) (I), (2) AND (3) AND (C), 1705-
10 E(2) AND (3), 1709-E, 1702-H, 1703-H, 1705-H(D) AND (E) AND
11 1706-H(A) OF THE ACT ARE AMENDED TO READ:

12 SECTION 1703-E. RESOURCE ENHANCEMENT AND PROTECTION TAX CREDIT
13 PROGRAM.

14 * * *

15 (B) LIMITS.--THE FOLLOWING LIMITS SHALL APPLY:

16 (1) EXCEPT AS SET FORTH IN PARAGRAPH (5), AN ELIGIBLE
17 APPLICANT MAY BE GRANTED A MAXIMUM OF [\$150,000 IN TAX
18 CREDITS UNDER THIS PROGRAM] \$250,000 IN TAX CREDITS IN ANY
19 CONSECUTIVE SEVEN-YEAR PERIOD, CALCULATED FROM THE DATE THE
20 TAX CREDIT IS ISSUED.

21 (2) [NO MORE THAN \$150,000 IN TAX CREDITS SHALL BE
22 GRANTED TOWARD PROJECTS FOR AN AGRICULTURAL OPERATION.] AN
23 AGRICULTURAL OPERATION MAY BE GRANTED A MAXIMUM OF \$250,000
24 IN TAX CREDITS IN ANY CONSECUTIVE SEVEN-YEAR PERIOD,
25 CALCULATED FROM THE DATE THE TAX CREDIT IS ISSUED.

26 * * *

27 (5) NOTWITHSTANDING PARAGRAPH (1), THERE SHALL BE NO
28 LIMIT ON THE AMOUNT OF TAX CREDITS GRANTED TO A SPONSOR UNDER
29 SUBSECTION (E) [.], EXCEPT THE COMMISSION MAY ESTABLISH ANNUAL
30 AGGREGATE LIMITS ON TAX CREDITS AWARDED TO SPONSORS TO ENSURE

1 FAIR AND EQUITABLE DISTRIBUTION OF TAX BENEFITS TO ELIGIBLE
2 APPLICANTS.

3 * * *

4 (C) CARRYOVER.--

5 (1) IF THE ELIGIBLE APPLICANT CANNOT USE THE ENTIRE
6 AMOUNT OF THE TAX CREDIT FOR THE TAXABLE YEAR IN WHICH THE
7 TAX CREDIT IS FIRST GRANTED, THEN THE EXCESS MAY BE CARRIED
8 OVER TO SUCCEEDING TAXABLE YEARS AND USED AS A CREDIT AGAINST
9 THE QUALIFIED TAX LIABILITY OF THE ELIGIBLE APPLICANT FOR
10 THOSE TAXABLE YEARS. EACH TIME THAT THE TAX CREDIT IS CARRIED
11 OVER TO A SUCCEEDING TAXABLE YEAR, IT IS TO BE REDUCED BY THE
12 AMOUNT THAT WAS USED AS A CREDIT DURING THE IMMEDIATELY
13 PRECEDING TAXABLE YEAR. THE TAX CREDIT PROVIDED BY THIS
14 ARTICLE MAY BE CARRIED OVER AND APPLIED TO SUCCEEDING TAXABLE
15 YEARS FOR NO MORE THAN 15 TAXABLE YEARS FOLLOWING THE FIRST
16 TAXABLE YEAR FOR WHICH THE ELIGIBLE APPLICANT WAS ENTITLED TO
17 CLAIM THE CREDIT.

18 (2) A TAX CREDIT GRANTED BY THE DEPARTMENT SHALL BE
19 APPLIED AGAINST THE TAXPAYER'S QUALIFIED TAX LIABILITY FOR
20 THE CURRENT TAXABLE YEAR AS OF THE DATE ON WHICH THE CREDIT
21 WAS GRANTED BEFORE THE TAX CREDIT IS APPLIED AGAINST ANY TAX
22 LIABILITY UNDER PARAGRAPH (1).

23 (2.1) A TAX CREDIT GRANTED UNDER THIS ARTICLE MAY BE
24 APPLIED TO THE TAX LIABILITY OF THE SPOUSE OF AN ELIGIBLE
25 APPLICANT IF BOTH THE ELIGIBLE APPLICANT AND THE SPOUSE
26 REPORT INCOME ON A JOINT INCOME TAX RETURN.

27 (3) A TAX CREDIT GRANTED UNDER THIS ARTICLE SHALL NOT BE
28 CARRIED BACK OR REFUNDED.

29 * * *

30 SECTION 1704-E. TAX CREDITS.

1 (A) GENERAL ELIGIBILITY.--PROJECTS SHALL BE ELIGIBLE FOR A
2 TAX CREDIT AS FOLLOWS:

3 * * *

4 (2) AN AGRICULTURAL OPERATION SHALL HAVE IN PLACE A
5 CURRENT CONSERVATION PLAN[,] OR A CURRENT AGRICULTURAL
6 EROSION AND SEDIMENT CONTROL PLAN IF ENGAGED IN PLOWING AND
7 TILLING, AND A CURRENT NUTRIENT MANAGEMENT PLAN OR MANURE
8 MANAGEMENT PLAN, IF REQUIRED, OR THE DEVELOPMENT OF SUCH
9 PLANS SHALL BE INCLUDED IN AN APPLICATION FOR A TAX CREDIT.

10 * * *

11 (4) AN AGRICULTURAL OPERATION WITH AN UNCOMPLETED BEST
12 MANAGEMENT PRACTICE OF EITHER A CONSERVATION PLAN OR AN
13 AGRICULTURAL EROSION AND SEDIMENT CONTROL PLAN IF ENGAGED IN
14 PLOWING AND TILLING OR A NUTRIENT MANAGEMENT PLAN OR MANURE
15 MANAGEMENT PLAN, IF REQUIRED, SHALL FIRST INCLUDE THE
16 REMAINING BEST MANAGEMENT PRACTICES INCLUDED IN SUCH PLANS IN
17 AN APPLICATION FOR A TAX CREDIT.

18 (5) A PROJECT SHALL MEET THE PLANNING, DESIGN [AND],
19 CONSTRUCTION AND CERTIFICATION STANDARDS ESTABLISHED BY THE
20 COMMISSION. IF STANDARDS DO NOT EXIST FOR A BEST MANAGEMENT
21 PRACTICE APPROVED BY THE COMMISSION, THE COMMISSION MAY
22 ESTABLISH OR APPROVE PLANNING, DESIGN, CONSTRUCTION AND
23 CERTIFICATION STANDARDS FOR SUCH A BEST MANAGEMENT PRACTICE.

24 (B) AMOUNT OF TAX CREDIT.--

25 (1) A TAX CREDIT EQUAL TO 75% OF THE ELIGIBLE COSTS
26 UNDER SUBSECTION (C) OF A PROJECT AUTHORIZED UNDER SECTION
27 1707-E SHALL BE GRANTED FOR ANY OF THE FOLLOWING:

28 (I) DEVELOPMENT OF A VOLUNTARY OR MANDATORY NUTRIENT
29 MANAGEMENT PLAN OR MANURE MANAGEMENT PLAN.

30 * * *

1 (2) A TAX CREDIT EQUAL TO 50% OF THE ELIGIBLE COSTS
2 UNDER SUBSECTION (C) OF A PROJECT AUTHORIZED UNDER SECTION
3 1707-E SHALL BE GRANTED FOR ANY OF THE FOLLOWING:

4 (I) FOR AN AGRICULTURAL OPERATION, DESIGN AND
5 IMPLEMENTATION OF AGRICULTURAL BEST MANAGEMENT PRACTICES
6 OR THE INSTALLATION AND USE OF EQUIPMENT, PROVIDED THAT
7 THE BEST MANAGEMENT PRACTICE OR EQUIPMENT IS NECESSARY TO
8 REDUCE EXISTING SEDIMENT AND NUTRIENT POLLUTION TO
9 SURFACE WATERS. SUCH BEST MANAGEMENT PRACTICES AND
10 EQUIPMENT SHALL BE IDENTIFIED BY THE COMMISSION AND MAY
11 INCLUDE MANURE STORAGE SYSTEMS, ALTERNATIVE USES FOR
12 MANURE, FILTER STRIPS, GRASSED WATERWAYS, MANAGEMENT
13 INTENSIVE GRAZING SYSTEMS AND NO-TILL PLANTING EQUIPMENT.

14 (II) DESIGN AND IMPLEMENTATION OF BEST MANAGEMENT
15 PRACTICES NECESSARY TO EXCLUDE LIVESTOCK ACCESS TO
16 STREAMS THROUGH FENCING, STABILIZED CROSSINGS AND
17 IMPROVED WATERING SYSTEMS, IF THERE IS ESTABLISHED AND
18 MAINTAINED A VEGETATED RIPARIAN OR RIPARIAN FOREST BUFFER
19 WITH A MINIMUM WIDTH OF 35 FEET.

20 (III) THE REMEDIATION OF LEGACY SEDIMENT, IF THE
21 LEGACY SEDIMENT IS EXPOSED AND DISCHARGES OR THREATENS TO
22 DISCHARGE INTO SURFACE WATERS AS A RESULT OF ACUTE STREAM
23 BANK EROSION. THE PROJECT SHALL MEET STANDARDS
24 ESTABLISHED BY THE COMMISSION AS BEING EFFECTIVE IN
25 MITIGATING OR ELIMINATING THE HARMFUL EFFECTS OF LEGACY
26 SEDIMENT.

27 [(3) A TAX CREDIT EQUAL TO 25% OF THE ELIGIBLE COSTS
28 UNDER SUBSECTION (C) OF A PROJECT AUTHORIZED UNDER SECTION
29 1707-E SHALL BE GRANTED FOR THE REMEDIATION OF LEGACY
30 SEDIMENT IF THE LEGACY SEDIMENT IS EXPOSED AND IS DISCHARGING

1 OR THREATENS TO DISCHARGE INTO SURFACE WATERS AS A RESULT OF
2 ACUTE STREAM BANK EROSION. THE PROJECT SHALL MEET STANDARDS
3 ESTABLISHED BY THE COMMISSION AS BEING EFFECTIVE IN
4 MITIGATING OR ELIMINATING THE HARMFUL EFFECTS OF LEGACY
5 SEDIMENT.]

6 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
7 A TAX CREDIT EQUAL TO 90% OF THE ELIGIBLE COSTS UNDER
8 SUBSECTION (C) OF A PROJECT AUTHORIZED UNDER SECTION 1707-E
9 MAY BE GRANTED FOR CERTAIN HIGH-PRIORITY BEST MANAGEMENT
10 PRACTICES AS DETERMINED BY THE COMMISSION AND IMPLEMENTED
11 WITHIN A WATERSHED COVERED UNDER AN APPROVED TMDL, INCLUDING:

12 (I) RIPARIAN FOREST BUFFERS AND THEIR MAINTENANCE.

13 (II) LIVESTOCK EXCLUSION FROM STREAMS AND SUPPORTING
14 PRACTICES.

15 (III) STREAM CROSSINGS.

16 (IV) COVER CROPS.

17 (V) SOIL HEALTH BEST MANAGEMENT PRACTICES AS
18 DETERMINED APPROPRIATE BY THE COMMISSION.

19 (VI) OTHER BEST MANAGEMENT PRACTICES AS DETERMINED
20 APPROPRIATE BY THE COMMISSION.

21 (C) COSTS OF PROJECT.--

22 (1) THE FOLLOWING SHALL BE CONSIDERED ELIGIBLE COSTS OF
23 A PROJECT TO WHICH A TAX CREDIT MAY BE APPLIED:

24 (I) PROJECT DESIGN, ENGINEERING AND ASSOCIATED
25 PLANNING.

26 (II) PROJECT MANAGEMENT COSTS, INCLUDING
27 CONTRACTING, DOCUMENT PREPARATION AND APPLICATIONS.

28 (III) PROJECT CONSTRUCTION OR INSTALLATION.

29 (IV) EQUIPMENT, MATERIALS AND ALL OTHER COMPONENTS
30 OF PROJECTS ELIGIBLE UNDER SUBSECTION (A).

1 (V) POSTCONSTRUCTION INSPECTIONS.

2 (VI) INTEREST PAYMENTS ON LOANS FOR PROJECT
3 IMPLEMENTATION FOR UP TO ONE YEAR PRIOR TO THE AWARD OF
4 THE TAX CREDIT.

5 (2) A TAX CREDIT SHALL NOT BE APPLIED TO THAT PORTION OF
6 A PROJECT COST FOR WHICH PUBLIC FUNDING WAS RECEIVED.

7 (3) ELIGIBLE COSTS OF A PROJECT SHALL INCLUDE ANY OF THE
8 SERVICES LISTED IN PARAGRAPH (1) THAT MAY BE PROVIDED BY A
9 CONSERVATION DISTRICT.

10 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE,
11 TAX CREDITS FOR ANNUAL MAINTENANCE BEST MANAGEMENT PRACTICES,
12 SUCH AS COVER CROPS, BUFFER MAINTENANCE AND OTHER ANNUAL
13 PRACTICES APPROVED BY THE COMMISSION, SHALL NOT EXCEED FIXED
14 RATES OR SCHEDULES ESTABLISHED BY THE COMMISSION IN ANNUAL
15 PROGRAM GUIDELINES.

16 SECTION 1705-E. PROJECT CERTIFICATION.

17 A PROJECT SHALL BE CERTIFIED BY THE COMMISSION AS MEETING
18 STANDARDS UNDER SECTION 1704-E (A) (5) BY THE FOLLOWING:

19 * * *

20 (2) RIPARIAN FOREST BUFFER: TECHNICAL SERVICE PROVIDER
21 OR STAFF FROM A CONSERVATION DISTRICT OR USDA-NRCS APPROVED
22 BY THE COMMISSION;

23 (3) [NUTRIENT MANAGEMENT PLAN: NUTRIENT MANAGEMENT
24 SPECIALIST] NUTRIENT MANAGEMENT PLAN OR MANURE MANAGEMENT
25 PLAN: A NUTRIENT MANAGEMENT SPECIALIST OR ANY PERSON TRAINED
26 AND EXPERIENCED IN MANURE AND NUTRIENT MANAGEMENT PLANNING
27 TECHNIQUES AND WHOSE QUALIFICATIONS ARE ACCEPTABLE TO THE
28 COMMISSION; AND

29 * * *

30 SECTION 1709-E. ANNUAL TAX CREDITS.

1 (A) TOTAL AMOUNT.--THE TOTAL AMOUNT OF TAX CREDITS
2 AUTHORIZED BY THE COMMISSION SHALL NOT EXCEED [\$10,000,000]
3 \$13,000,000 IN ANY FISCAL YEAR.

4 (B) CHESAPEAKE BAY WATERSHED PRIORITIZATION.--
5 NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE TO THE CONTRARY,
6 THE COMMISSION MAY RESERVE AND TARGET UP TO \$3,000,000 OF THE
7 TOTAL AMOUNT UNDER SUBSECTION (A) IN ANY FISCAL YEAR FOR
8 GEOGRAPHIC AREAS AND BEST MANAGEMENT PRACTICES FOR NUTRIENT AND
9 SEDIMENT REDUCTIONS WITHIN THE CHESAPEAKE BAY WATERSHED AREA.

10 SECTION 1702-H. DEFINITIONS.

11 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
12 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
13 CONTEXT CLEARLY INDICATES OTHERWISE:

14 "COMMISSION." THE PENNSYLVANIA HISTORICAL AND MUSEUM
15 COMMISSION.

16 "COMPLETED PROJECT." THE COMPLETION OF THE [RESTORATION]
17 REHABILITATION OF A QUALIFIED HISTORIC STRUCTURE IN ACCORDANCE
18 WITH A QUALIFIED REHABILITATION PLAN AND THE RECEIPT OF AN
19 OCCUPANCY CERTIFICATE FOR THE STRUCTURE.

20 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

21 "INTERNAL REVENUE CODE." THE INTERNAL REVENUE CODE OF 1986
22 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.).

23 "QUALIFIED EXPENDITURES." THE COSTS AND EXPENSES INCURRED BY
24 A QUALIFIED TAXPAYER IN THE [RESTORATION] REHABILITATION OF A
25 QUALIFIED HISTORIC STRUCTURE PURSUANT TO A QUALIFIED
26 REHABILITATION PLAN AND WHICH ARE DEFINED AS QUALIFIED
27 REHABILITATION EXPENDITURES UNDER SECTION 47(C) (2) OF THE
28 INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. §
29 47(C) (2)).

30 "QUALIFIED HISTORIC STRUCTURE." A [COMMERCIAL] BUILDING

1 LOCATED IN THIS COMMONWEALTH THAT QUALIFIES AS A CERTIFIED
2 HISTORIC STRUCTURE UNDER SECTION 47(C)(3) OF THE INTERNAL
3 REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 47(C)(3)).

4 "QUALIFIED REHABILITATION PLAN." A PLAN TO REHABILITATE A
5 QUALIFIED HISTORIC STRUCTURE THAT IS APPROVED BY THE
6 PENNSYLVANIA HISTORICAL AND MUSEUM COMMISSION AS BEING
7 CONSISTENT WITH THE STANDARDS FOR REHABILITATION AND GUIDELINES
8 FOR REHABILITATION OF HISTORIC BUILDINGS AS ADOPTED BY THE
9 UNITED STATES SECRETARY OF THE INTERIOR.

10 "QUALIFIED TAX LIABILITY." TAX LIABILITY IMPOSED ON A
11 TAXPAYER UNDER ARTICLE III, IV, VI, VII, VIII, IX, XI OR XV,
12 EXCLUDING ANY TAX WITHHELD BY AN EMPLOYER UNDER ARTICLE III.

13 "QUALIFIED TAXPAYER." ANY NATURAL PERSON, CORPORATION,
14 BUSINESS TRUST, LIMITED LIABILITY COMPANY, PARTNERSHIP, LIMITED
15 LIABILITY PARTNERSHIP, ASSOCIATION OR ANY OTHER FORM OF LEGAL
16 BUSINESS ENTITY THAT:

17 (1) IS SUBJECT TO A TAX IMPOSED UNDER ARTICLE III, IV,
18 VI, VII, VIII, IX, XI OR XV, EXCLUDING ANY TAX WITHHELD BY AN
19 EMPLOYER UNDER ARTICLE III.

20 (2) OWNS A QUALIFIED HISTORIC STRUCTURE.

21 "REGION." A COMMUNITY ACTION TEAM REGION AS ESTABLISHED BY
22 THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT.

23 "WORKFORCE HOUSING PROJECT." A COMPLETED PROJECT IN WHICH,
24 FOR A PERIOD OF SEVEN YEARS AFTER THE BUILDING IS PLACED IN
25 SERVICE, AT LEAST 20% OF THE UNITS MEET THE DEPARTMENT OF
26 HOUSING AND URBAN DEVELOPMENT'S DEFINITION OF "AFFORDABLE" FOR
27 INDIVIDUALS EARNING 80% OF THE AREA MEDIAN INCOME.

28 SECTION 1703-H. TAX CREDIT CERTIFICATES.

29 (A) APPLICATION.--

30 (1) A QUALIFIED TAXPAYER MAY APPLY TO THE DEPARTMENT OF

1 COMMUNITY AND ECONOMIC DEVELOPMENT FOR A TAX CREDIT
2 CERTIFICATE UNDER THIS SECTION.

3 (2) THE APPLICATION SHALL BE ON THE FORM REQUIRED BY THE
4 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT [AND], SHALL
5 INCLUDE A QUALIFIED REHABILITATION PLAN[.], SHALL STATE
6 WHETHER THE PROJECT MEETS THE DEFINITION OF "WORKFORCE
7 HOUSING PROJECT" AND, IF APPLICABLE, SHALL INCLUDE THE PLAN
8 FOR THE PROJECT TO MEET THE DEFINITION OF "WORKFORCE HOUSING
9 PROJECT."

10 (3) [THE APPLICATION SHALL BE FILED ON OR BEFORE
11 FEBRUARY 1 FOR QUALIFIED EXPENDITURES INCURRED AND TO BE
12 INCURRED IN CONNECTION WITH THE COMPLETED PROJECT.] THE
13 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT SHALL
14 ESTABLISH AN APPLICATION PROCESSING FEE. THE FEE STRUCTURE
15 SHALL BE TIERED BASED ON THE AMOUNT OF TAX CREDITS REQUESTED
16 AND IN NO CASE SHALL EXCEED \$2,000.

17 (4) THE PROCEEDS OF THE FEE UNDER PARAGRAPH (3) SHALL BE
18 DEPOSITED INTO THE HISTORIC REHABILITATION TAX CREDIT
19 ADMINISTRATION ACCOUNT, WHICH IS ESTABLISHED AS A SPECIAL
20 FUND IN THE STATE TREASURY. THE MONEY IN THE ACCOUNT SHALL BE
21 APPROPRIATED ON A CONTINUING BASIS TO THE DEPARTMENT OF
22 COMMUNITY AND ECONOMIC DEVELOPMENT AND USED BY THE COMMISSION
23 AND THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO
24 OFFSET THE COSTS OF THE REVIEW OF TAX CREDIT APPLICATIONS AND
25 AWARDING OF TAX CREDIT CERTIFICATES.

26 (5) THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
27 SHALL BEGIN ACCEPTING APPLICATIONS FOR CREDIT CERTIFICATES ON
28 OCTOBER 1 AND CLOSE THE INITIAL APPLICATION PERIOD ON OCTOBER
29 31.

30 (B) REVIEW, RECOMMENDATION AND APPROVAL.--

1 (1) THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
2 SHALL FORWARD APPLICATIONS RECEIVED UNDER THIS SECTION TO THE
3 COMMISSION FOR REVIEW.

4 [(2) THE COMMISSION SHALL REVIEW THE PROPOSED
5 REHABILITATION PLAN, VERIFY THAT THE BUILDING IS A QUALIFIED
6 HISTORIC STRUCTURE AND RECOMMEND APPROVAL OR DISAPPROVAL TO
7 THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT WITHIN
8 30 DAYS OF RECEIPT OF THE APPLICATION. THE COMMISSION SHALL
9 NOTIFY THE QUALIFIED TAXPAYER WITHIN 15 DAYS OF ITS
10 DETERMINATION.]

11 (2.1) THE COMMISSION SHALL REVIEW THE PROPOSED
12 REHABILITATION PLAN IN EACH APPLICATION, VERIFY THAT THE
13 BUILDING IS A QUALIFIED HISTORIC STRUCTURE AND BY DECEMBER 1
14 PROVIDE THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
15 A LIST OF ELIGIBLE PROJECTS.

16 (2.2) THE DEPARTMENT OF COMMUNITY AND ECONOMIC
17 DEVELOPMENT SHALL ALLOCATE THE CREDITS AND RELEASE A LIST OF
18 ALLOCATED PROJECTS WITHIN 15 DAYS. APPLICANTS WITH APPROVED
19 ALLOCATIONS SHALL BE PROVIDED WITH AN AWARD LETTER.

20 (2.3) ANY AMOUNT OF TAX CREDIT CERTIFICATES UP TO THE
21 ANNUAL PROGRAM LIMIT OF \$5,000,000 NOT AWARDED WITHIN THE
22 INITIAL APPLICATION PERIOD SHALL BE AVAILABLE ON A FIRST-
23 COME, FIRST-SERVED BASIS THROUGH A PROCESS DETERMINED BY THE
24 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT.

25 (3) THE COMMISSION SHALL NOTIFY THE DEPARTMENT OF
26 COMMUNITY AND ECONOMIC DEVELOPMENT OF VERIFICATION OF A
27 COMPLETED PROJECT AND NOTIFY THE DEPARTMENT OF COMMUNITY AND
28 ECONOMIC DEVELOPMENT OF THE AMOUNT OF QUALIFIED EXPENDITURES
29 INCURRED BY THE TAXPAYER IN CONNECTION WITH THE COMPLETED
30 PROJECT.

1 (4) IF THE DEPARTMENT OF COMMUNITY AND ECONOMIC
2 DEVELOPMENT HAS APPROVED THE APPLICATION AND RECEIVED
3 NOTIFICATION OF A COMPLETED PROJECT, IT SHALL ISSUE THE
4 QUALIFIED TAXPAYER A TAX CREDIT CERTIFICATE [BY APRIL 1]
5 WITHIN 45 DAYS OF THE RECEIPT OF AN APPROVED, COMPLETED
6 PROJECT. A TAX CREDIT CERTIFICATE ISSUED UNDER THIS SECTION
7 SHALL NOT EXCEED [25%] EITHER:

8 (I) TWENTY-FIVE PERCENT OF QUALIFIED EXPENDITURES
9 DETERMINED BY THE COMMISSION TO HAVE BEEN INCURRED BY THE
10 QUALIFIED TAXPAYER IN CONNECTION WITH THE COMPLETED
11 PROJECT[.]; OR

12 (II) THIRTY PERCENT OF QUALIFIED EXPENDITURES
13 DETERMINED BY THE COMMISSION TO HAVE BEEN INCURRED BY THE
14 QUALIFIED TAXPAYER IN CONNECTION WITH A WORKFORCE HOUSING
15 PROJECT.

16 (5) IN GRANTING TAX CREDIT CERTIFICATES UNDER THIS
17 ARTICLE, THE DEPARTMENT OF COMMUNITY AND ECONOMIC
18 DEVELOPMENT:

19 (I) SHALL NOT GRANT MORE THAN [\$3,000,000]
20 \$5,000,000 IN TAX CREDIT CERTIFICATES IN ANY FISCAL YEAR
21 EXCLUSIVE OF ANY TAX CREDIT CERTIFICATES NOT AWARDED OR
22 RETURNED FROM PREVIOUS FISCAL YEARS.

23 (II) SHALL NOT GRANT MORE THAN \$500,000 IN TAX
24 CREDIT CERTIFICATES TO A SINGLE QUALIFIED TAXPAYER IN ANY
25 FISCAL YEAR.

26 (III) SHALL ASSURE THAT CREDITS ARE AWARDED IN AN
27 EQUITABLE MANNER TO EACH REGION IN THIS COMMONWEALTH.
28 HOWEVER, CREDITS ALLOCATED TO A REGION THAT ARE UNCLAIMED
29 SHALL BE PROMPTLY REALLOCATED TO ELIGIBLE PROJECTS IN
30 OTHER REGIONS.

1 [(6) TAX CREDITS UNDER THIS ARTICLE SHALL BE MADE
2 AVAILABLE ON A FIRST-COME, FIRST-SERVED BASIS WITHIN THE
3 LIMITATION ESTABLISHED UNDER SUBSECTION (B) (5).]

4 SECTION 1705-H. CARRYOVER, CARRYBACK AND ASSIGNMENT OF CREDIT.

5 * * *

6 (D) SALE OR ASSIGNMENT.--THE FOLLOWING SHALL APPLY:

7 (1) A QUALIFIED TAXPAYER OR A PURCHASER OR ASSIGNEE OF A
8 TAX CREDIT OBTAINED UNDER SECTION 1703-H OR A SHAREHOLDER,
9 MEMBER OR PARTNER OF A PASS-THROUGH ENTITY THAT WAS
10 TRANSFERRED THE TAX CREDIT OR A PORTION OF THE TAX CREDIT
11 FROM SUCH PASS-THROUGH ENTITY SUBJECT TO SECTION 1706-H, UPON
12 APPLICATION TO AND APPROVAL BY THE DEPARTMENT OF COMMUNITY
13 AND ECONOMIC DEVELOPMENT, MAY SELL OR ASSIGN, IN WHOLE OR IN
14 PART, A TAX CREDIT GRANTED TO THE QUALIFIED TAXPAYER UNDER
15 THIS ARTICLE.

16 (2) BEFORE AN APPLICATION IS APPROVED, THE DEPARTMENT
17 MUST FIND THAT THE APPLICANT HAS FILED ALL REQUIRED STATE TAX
18 REPORTS AND RETURNS FOR ALL APPLICABLE TAXABLE YEARS AND PAID
19 ANY BALANCE OF STATE TAX DUE AS DETERMINED AT SETTLEMENT,
20 ASSESSMENT OR DETERMINATION BY THE DEPARTMENT.

21 (E) PURCHASERS AND ASSIGNEES.--[THE PURCHASER OR ASSIGNEE OF
22 ALL OR A PORTION OF A TAX CREDIT OBTAINED UNDER SECTION 1703-H
23 SHALL IMMEDIATELY CLAIM THE CREDIT IN THE TAXABLE YEAR IN WHICH
24 THE PURCHASE OR ASSIGNMENT IS MADE. THE PURCHASER OR ASSIGNEE
25 MAY NOT CARRY FORWARD, CARRY BACK OR OBTAIN A REFUND OF OR SELL
26 OR ASSIGN THE TAX CREDIT. THE PURCHASER OR ASSIGNEE SHALL NOTIFY
27 THE DEPARTMENT OF THE SELLER OR ASSIGNOR OF THE TAX CREDIT IN
28 COMPLIANCE WITH PROCEDURES SPECIFIED BY THE DEPARTMENT.]

29 (1) IF A PURCHASER OR ASSIGNEE OF ALL OR A PORTION OF A
30 TAX CREDIT OBTAINED UNDER SECTION 1703-H CANNOT USE THE

1 ENTIRE AMOUNT OF THE TAX CREDIT FOR THE TAXABLE YEAR IN WHICH
2 THE TAX CREDIT WAS PURCHASED OR ASSIGNED, THE EXCESS MAY BE
3 CARRIED OVER TO SUCCEEDING TAXABLE YEARS AND USED AS A CREDIT
4 AGAINST THE QUALIFIED TAX LIABILITY OF THE PURCHASER OR
5 ASSIGNEE FOR THOSE TAXABLE YEARS.

6 (2) EACH TIME A TAX CREDIT IS CARRIED OVER TO A
7 SUCCEEDING TAXABLE YEAR, THE TAX CREDIT SHALL BE REDUCED BY
8 THE AMOUNT THAT WAS USED AS A CREDIT DURING THE IMMEDIATELY
9 PRECEDING TAXABLE YEAR.

10 (3) THE TAX CREDIT MAY BE CARRIED OVER AND APPLIED TO
11 SUCCEEDING TAXABLE YEARS FOR NOT MORE THAN SEVEN TAXABLE
12 YEARS FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE
13 QUALIFIED TAXPAYER WAS ENTITLED TO CLAIM THE CREDIT.

14 (4) THE PURCHASER OR ASSIGNEE MAY NOT CARRY BACK THE
15 CREDIT OR OBTAIN A REFUND.

16 SECTION 1706-H. PASS-THROUGH ENTITY.

17 (A) GENERAL RULE.--IF A PASS-THROUGH ENTITY HAS ANY UNUSED
18 TAX CREDIT UNDER SECTION 1705-H, IT MAY ELECT, IN WRITING,
19 ACCORDING TO PROCEDURES ESTABLISHED BY THE DEPARTMENT, TO
20 TRANSFER ALL OR A PORTION OF THE CREDIT TO ITS SHAREHOLDERS,
21 MEMBERS OR PARTNERS IN PROPORTION TO THE SHARE OF THE ENTITY'S
22 DISTRIBUTIVE INCOME TO WHICH THE SHAREHOLDER, MEMBER OR PARTNER
23 IS ENTITLED.

24 * * *

25 SECTION 13.3. THE ACT IS AMENDED BY ADDING A SECTION TO
26 READ:

27 SECTION 1707.1-H. ANNUAL REPORT TO GENERAL ASSEMBLY.

28 (A) REPORT ON TAX CREDIT.--BY OCTOBER 1, 2020, AND OCTOBER 1
29 OF EACH YEAR THEREAFTER, THE DEPARTMENT OF COMMUNITY AND
30 ECONOMIC DEVELOPMENT SHALL SUBMIT A REPORT ON THE TAX CREDIT

1 UNDER THIS ARTICLE TO:

2 (1) THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
3 APPROPRIATIONS COMMITTEE OF THE SENATE.

4 (2) THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
5 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

6 (3) THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
7 FINANCE COMMITTEE OF THE SENATE.

8 (4) THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
9 FINANCE COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

10 (B) REPORT CONTENT.--THE REPORT SHALL INCLUDE:

11 (1) THE LIST OF COMPLETED PROJECTS THAT HAVE BEEN
12 AWARDED TAX CREDITS.

13 (2) THE AMOUNT OF FEDERAL REHABILITATION TAX CREDITS
14 RECEIVED BY EACH COMPLETED PROJECT.

15 (3) THE AMOUNT OF STATE HISTORIC PRESERVATION INCENTIVE
16 TAX CREDITS RECEIVED BY EACH COMPLETED PROJECT.

17 (4) TOTAL PROJECT COSTS AND THE AMOUNT OF PRIVATE
18 INVESTMENT IN EACH COMPLETED PROJECT.

19 (5) THE TOTAL NUMBER OF COMPLETED PROJECTS PLACED INTO
20 SERVICE IN THE PAST YEAR THAT WERE VACANT FOR AT LEAST 12
21 MONTHS PRIOR TO COMMENCEMENT OF REHABILITATION WORK.

22 (6) THE TOTAL NUMBER OF COMPLETED PROJECTS PLACED INTO
23 SERVICE IN THE PAST YEAR THAT HAD NOT PAID PROPERTY TAXES FOR
24 AT LEAST 12 MONTHS PRIOR TO THE COMMENCEMENT OF
25 REHABILITATION WORK.

26 (7) THE TOTAL NUMBER OF TEMPORARY CONSTRUCTION JOBS AND
27 PERMANENT JOBS CREATED BY COMPLETED PROJECTS PLACED INTO
28 SERVICE IN THE PRIOR YEAR.

29 (8) THE AMOUNT OF WORKFORCE HOUSING PROJECTS PLACED INTO
30 SERVICE IN THE PRIOR YEAR.

1 (C) INFORMATION TO BE POSTED ON PUBLIC INTERNET WEBSITE.--
2 NOTWITHSTANDING ANY LAW PROVIDING FOR THE CONFIDENTIALITY OF TAX
3 RECORDS, THE INFORMATION IN THE REPORT SHALL BE PUBLIC
4 INFORMATION AND SHALL BE POSTED ON THE DEPARTMENT OF COMMUNITY
5 AND ECONOMIC DEVELOPMENT'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.

6 (D) REVIEW OF TAX CREDIT PROGRAM.--THE DEPARTMENT OF
7 COMMUNITY AND ECONOMIC DEVELOPMENT, IN COOPERATION WITH THE
8 COMMISSION, SHALL UNDERTAKE A REVIEW OF THE HISTORIC
9 PRESERVATION INCENTIVE TAX CREDIT PROGRAM TO DETERMINE THE
10 EFFECTIVENESS OF THE PROGRAM IN PRESERVING AND REHABILITATING
11 THE COMMONWEALTH'S HISTORIC STRUCTURES AND THE IMPACT THESE
12 EFFORTS HAVE HAD ON THE STIMULATION OF INVESTMENT IN THIS
13 COMMONWEALTH. THE RESULTS OF THE REVIEW SHALL BE INCLUDED IN THE
14 ANNUAL REPORT DUE OCTOBER 1, 2025.

15 SECTION 13.4. SECTIONS 1708-H AND 1709-H OF THE ACT ARE
16 AMENDED TO READ:

17 SECTION 1708-H. APPLICATION OF INTERNAL REVENUE CODE.

18 THE PROVISIONS OF SECTION 47 OF THE INTERNAL REVENUE CODE AND
19 THE REGULATIONS PROMULGATED REGARDING THOSE PROVISIONS SHALL
20 APPLY TO THE DEPARTMENT'S INTERPRETATION AND ADMINISTRATION OF
21 THE CREDIT PROVIDED UNDER THIS ARTICLE WITHOUT REGARD TO RATABLY
22 ALLOCATING THE CREDIT OVER A FIVE-YEAR PERIOD AS REQUIRED BY
23 SECTION 47(A) OF THE INTERNAL REVENUE CODE. REFERENCES TO THE
24 INTERNAL REVENUE CODE SHALL MEAN THE SECTIONS OF THE INTERNAL
25 REVENUE CODE AS EXISTING ON ANY DATE OF INTERPRETATION OF THIS
26 ARTICLE, EXCEPT, IF THOSE SECTIONS OF THE INTERNAL REVENUE CODE
27 REFERENCED IN THIS ARTICLE ARE REPEALED OR TERMINATED,
28 REFERENCES TO THE INTERNAL REVENUE CODE SHALL MEAN THOSE
29 SECTIONS LAST HAVING FULL FORCE AND EFFECT WITHOUT REGARD TO
30 RATABLY ALLOCATING THE CREDIT OVER A FIVE-YEAR PERIOD AS

1 REQUIRED BY SECTION 47(A) OF THE INTERNAL REVENUE CODE. IF AFTER
2 REPEAL OR TERMINATION THE INTERNAL REVENUE CODE SECTIONS ARE
3 REVISED OR REENACTED, REFERENCES IN THIS ARTICLE TO INTERNAL
4 REVENUE CODE SECTIONS SHALL MEAN THOSE REVISED OR REENACTED
5 SECTIONS.

6 SECTION 1709-H. LIMITATION.

7 TAXPAYERS SHALL NOT BE ENTITLED TO APPLY FOR HISTORIC
8 PRESERVATION TAX CREDITS AFTER [THE SEVENTH FISCAL YEAR
9 FOLLOWING THE EFFECTIVE DATE OF THIS ARTICLE] FEBRUARY 1, 2031.

10 SECTION 13.5. THE ACT IS AMENDED BY ADDING A SECTION TO
11 READ:

12 SECTION 1710-H. RECAPTURE.

13 IN THE EVENT THAT A TAX CREDIT OR A PORTION OF A TAX CREDIT
14 IS SUBJECT TO RECAPTURE AND THE TAX CREDIT HAS BEEN PURCHASED,
15 ASSIGNED OR TRANSFERRED, THE COMMONWEALTH SHALL PURSUE ITS
16 RECAPTURE REMEDIES AND RIGHTS AGAINST THE QUALIFIED TAXPAYER
17 THAT APPLIED FOR THE CREDIT. NO REDRESS SHALL BE SOUGHT AGAINST
18 AN ASSIGNEE, PURCHASER OR TRANSFEREE OF THE TAX CREDIT IF THE
19 ASSIGNEE, PURCHASER OR TRANSFEREE ACQUIRED THE TAX CREDIT BY WAY
20 OF AN ARM'S-LENGTH TRANSACTION, FOR VALUE AND WITHOUT NOTICE OF
21 VIOLATION, FRAUD OR MISREPRESENTATION.

22 SECTION 14. SECTION 1703-J OF THE ACT IS AMENDED BY ADDING
23 DEFINITIONS TO READ:

24 SECTION 1703-J. DEFINITIONS.

25 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
26 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
27 CONTEXT CLEARLY INDICATES OTHERWISE:

28 * * *

29 "FEDERAL COAL REFUSE RECLAMATION TAX CREDIT AMOUNT." THE
30 ACTUAL AMOUNT OF TAX CREDITS OBTAINED BY AN ELIGIBLE FACILITY

1 UNDER A FEDERAL COAL REFUSE RECLAMATION TAX CREDIT PROGRAM IN
2 THE FOUR FEDERAL TAX QUARTERS THAT PRECEDE THE FISCAL YEAR IN
3 WHICH CREDITS ARE AWARDED UNDER SECTION 1707-J(A).

4 "FEDERAL COAL REFUSE RECLAMATION TAX CREDIT PROGRAM." A
5 PROGRAM ESTABLISHED UNDER THE FEDERAL INTERNAL REVENUE CODE THAT
6 PROVIDES A TAX CREDIT FOR AN ELIGIBLE FACILITY AGAINST FEDERAL
7 INCOME TAXES BASED UPON THE AMOUNT OF COAL REFUSE USED AT THE
8 ELIGIBLE FACILITY.

9 * * *

10 SECTION 15. SECTION 1704-J(D) OF THE ACT IS AMENDED AND THE
11 SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:
12 SECTION 1704-J. APPLICATION AND APPROVAL OF TAX CREDIT.

13 * * *

14 (C.1) NETTING OF FEDERAL TAX CREDIT.--IF A FEDERAL COAL
15 REFUSE RECLAMATION TAX CREDIT PROGRAM IS ADOPTED AND BECOMES
16 EFFECTIVE, THE FOLLOWING SHALL APPLY:

17 (1) EACH ELIGIBLE FACILITY SHALL REPORT AS PART OF ITS
18 APPLICATION UNDER SUBSECTION (A) THE FEDERAL COAL REFUSE
19 RECLAMATION TAX CREDIT AMOUNT RECEIVED BY THE ELIGIBLE
20 FACILITY FOR THE FOUR FEDERAL TAX QUARTERS THAT IMMEDIATELY
21 PRECEDED THE SUBMITTAL OF THE APPLICATION.

22 (2) THE AMOUNT OF TAX CREDITS RECEIVED BY AN ELIGIBLE
23 FACILITY AS CALCULATED UNDER SUBSECTION (B) SHALL BE REDUCED
24 BY THE FEDERAL COAL REFUSE RECLAMATION TAX CREDIT AMOUNT
25 RECEIVED BY THE ELIGIBLE FACILITY FOR THE FOUR FEDERAL TAX
26 QUARTERS THAT IMMEDIATELY PRECEDED THE SUBMITTAL OF THE
27 APPLICATION UNDER THIS SECTION.

28 (D) EXPIRATION.--THE DEPARTMENT MAY NOT APPROVE AN
29 APPLICATION FOR A TAX CREDIT UNDER THIS ARTICLE AFTER DECEMBER
30 31, [2026] 2036.

1 SECTION 16. SECTION 1707-J(A) OF THE ACT IS AMENDED TO READ:

2 SECTION 1707-J. LIMITATION ON TAX CREDITS.

3 (A) AMOUNT.--THE TOTAL AMOUNT OF TAX CREDITS ISSUED BY THE
4 DEPARTMENT MAY NOT EXCEED \$7,500,000 IN FISCAL YEAR 2016-2017

5 [AND \$10,000,000 IN EACH FISCAL YEAR THEREAFTER], \$10,000,000 IN
6 FISCAL YEARS 2017-2018 AND 2018-2019 AND \$20,000,000 IN EACH
7 FISCAL YEAR THEREAFTER.

8 * * *

9 SECTION 17. SECTION 1803-B OF THE ACT IS AMENDED BY ADDING A
10 SUBSECTION TO READ:

11 SECTION 1803-B. APPLICATION PROCESS.

12 * * *

13 (E) EXPIRATION.--THE DEPARTMENT MAY NOT APPROVE AN
14 APPLICATION FOR A TAX CREDIT UNDER THIS ARTICLE AFTER JUNE 30,
15 2020.

16 SECTION 17.1. THE DEFINITION OF "INFRASTRUCTURE" IN SECTION
17 1802-C OF THE ACT IS AMENDED TO READ:

18 SECTION 1802-C. DEFINITIONS.

19 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
20 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
21 CONTEXT CLEARLY INDICATES OTHERWISE:

22 * * *

23 "INFRASTRUCTURE." ANY IMPROVEMENTS IN OR OUT OF THE ZONE
24 [PRIMARILY] THAT THE CONTRACTING AUTHORITY DETERMINES TO BE

25 RELATED TO THE DEVELOPMENT OF [AND REQUIRED BY] A FACILITY IN
26 THE ZONE, INCLUDING, BUT NOT LIMITED TO, IMPROVEMENTS TO

27 UTILITIES, WATER, SEWER, STORM WATER, PARKING, ROAD IMPROVEMENTS
28 OR TELECOMMUNICATIONS WITHIN THE CITY OR MUNICIPALITY OR WITHIN
29 A MUNICIPALITY CONTIGUOUS TO THAT CITY OR MUNICIPALITY.

30 * * *

1 SECTION 17.2. SECTION 1813-C(A) OF THE ACT IS AMENDED BY
2 ADDING A PARAGRAPH TO READ:

3 SECTION 1813-C. RESTRICTIONS.

4 (A) UTILIZATION.--MONEY TRANSFERRED UNDER SECTION 1812-C MAY
5 ONLY BE UTILIZED FOR THE FOLLOWING:

6 * * *

7 (1.1) PAYMENT OF DEBT SERVICE ON BONDS ISSUED OR
8 REFINANCED TO ESTABLISH A REVOLVING LOAN FUND THAT WILL
9 PROVIDE FINANCIAL ASSISTANCE IN THE FORM OF A LOAN TO A
10 QUALIFIED BUSINESS ACQUIRING PROPERTY FOR THE BUSINESS,
11 CONSTRUCTING A NEW FACILITY, RECONSTRUCTING OR RENOVATING AN
12 EXISTING FACILITY OR ACQUIRING NEW EQUIPMENT TO BE USED BY
13 THE QUALIFYING BUSINESS IN A ZONE.

14 * * *

15 SECTION 18. THE DEFINITIONS OF "PRINCIPAL BUSINESS
16 OPERATIONS," "RURAL BUSINESS" AND "RURAL GROWTH INVESTMENT" IN
17 SECTION 1822-G OF THE ACT ARE AMENDED AND THE SECTION IS AMENDED
18 BY ADDING DEFINITIONS TO READ:

19 SECTION 1822-G. DEFINITIONS.

20 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS PART SHALL
21 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
22 CONTEXT CLEARLY INDICATES OTHERWISE:

23 * * *

24 "FULL-TIME EQUIVALENT EMPLOYEE." THE QUOTIENT OBTAINED BY
25 DIVIDING THE TOTAL NUMBER OF HOURS FOR WHICH EMPLOYEES WERE
26 COMPENSATED FOR EMPLOYMENT OVER THE PRECEDING 12-MONTH PERIOD BY
27 2,080.

28 * * *

29 "JOBS CREATED." FULL-TIME EQUIVALENT EMPLOYEE POSITIONS
30 THAT:

1 (1) ARE CREATED BY THE RURAL BUSINESS.
2 (2) ARE CURRENTLY LOCATED IN THIS COMMONWEALTH.
3 (3) WERE NOT LOCATED IN THIS COMMONWEALTH AT THE TIME OF
4 THE RURAL GROWTH INVESTMENT IN THE RURAL BUSINESS.
5 (4) PAY AT LEAST 150% OF THE FEDERAL OR STATE MINIMUM
6 WAGE, WHICHEVER IS GREATER.
7 "JOBS RETAINED." FULL-TIME EQUIVALENT EMPLOYEE POSITIONS

8 THAT:

9 (1) ARE LOCATED IN THIS COMMONWEALTH.
10 (2) EXISTED BEFORE THE INITIAL RURAL GROWTH INVESTMENT
11 IN THE RURAL BUSINESS.
12 (3) PAY AT LEAST 150% OF THE FEDERAL OR STATE MINIMUM
13 WAGE, WHICHEVER IS GREATER.
14 (4) WOULD HAVE BEEN LOST OR MOVED OUT OF THIS
15 COMMONWEALTH HAD A RURAL GROWTH INVESTMENT NOT BEEN MADE, AS
16 CERTIFIED IN WRITING BY AN EXECUTIVE OFFICER OF THE RURAL
17 BUSINESS AND APPROVED BY THE DEPARTMENT.

18 "PRINCIPAL BUSINESS OPERATIONS." THE PLACE OR PLACES WHERE
19 AT LEAST 60% OF A RURAL BUSINESS' EMPLOYEES WORK OR WHERE
20 EMPLOYEES THAT ARE PAID AT LEAST 60% OF THE BUSINESS' PAYROLL
21 WORK. AN OUT-OF-STATE BUSINESS THAT HAS AGREED TO RELOCATE
22 EMPLOYEES OR AN IN-STATE BUSINESS THAT HAS AGREED TO HIRE
23 EMPLOYEES USING THE PROCEEDS OF A RURAL GROWTH INVESTMENT TO
24 ESTABLISH PRINCIPAL BUSINESS OPERATIONS IN A RURAL AREA IN THIS
25 COMMONWEALTH SHALL BE DEEMED TO HAVE THE PRINCIPAL BUSINESS
26 OPERATIONS IN THIS NEW LOCATION IF THE BUSINESS SATISFIES THIS
27 DEFINITION WITHIN 180 DAYS AFTER RECEIVING THE RURAL GROWTH
28 INVESTMENT, UNLESS THE DEPARTMENT AGREES TO A LATER DATE.

29 * * *

30 "RURAL BUSINESS." A BUSINESS THAT, AT THE TIME OF THE

1 INITIAL RURAL GROWTH INVESTMENT IN THE BUSINESS BY A RURAL
2 GROWTH FUND, MEETS THE FOLLOWING CONDITIONS:

3 (1) HAS FEWER THAN [250] 150 EMPLOYEES AND NOT MORE THAN
4 \$15,000,000 IN NET INCOME AS DETERMINED BY GENERALLY ACCEPTED
5 ACCOUNTING PRINCIPLES FOR THE PRECEDING CALENDAR YEAR.

6 (2) HAS PRINCIPAL BUSINESS OPERATIONS IN ONE OR MORE
7 RURAL AREAS IN THIS COMMONWEALTH.

8 (3) IS ENGAGED IN INDUSTRIES RELATED TO MANUFACTURING,
9 PLANT SCIENCES, SERVICES OR TECHNOLOGY OR, IF NOT ENGAGED IN
10 THOSE INDUSTRIES, THE DEPARTMENT MAKES A DETERMINATION THAT
11 THE INVESTMENT WILL BE HIGHLY BENEFICIAL TO THE ECONOMIC
12 GROWTH OF THIS COMMONWEALTH.

13 * * *

14 "RURAL GROWTH INVESTMENT." A CAPITAL OR EQUITY INVESTMENT IN
15 A RURAL BUSINESS OR ANY LOAN TO A RURAL BUSINESS WITH A STATED
16 MATURITY AT LEAST ONE YEAR AFTER THE DATE OF ISSUANCE. A SECURED
17 LOAN OR A REVOLVING LINE OF CREDIT PROVIDED TO A RURAL BUSINESS
18 IS A RURAL GROWTH INVESTMENT ONLY IF THE GROWTH FUND OBTAINS AN
19 AFFIDAVIT FROM THE PRESIDENT OR CHIEF EXECUTIVE OFFICER OR
20 EQUIVALENT POSITION OF THE RURAL BUSINESS ATTESTING THAT THE
21 RURAL BUSINESS SOUGHT AND WAS DENIED SIMILAR FINANCING FROM A
22 COMMERCIAL BANK.

23 "STATE REPAYMENT AMOUNT." THE AMOUNT BY WHICH THE RURAL
24 GROWTH FUND'S CREDIT-ELIGIBLE CAPITAL CONTRIBUTIONS EXCEED THE
25 PRODUCT OBTAINED BY MULTIPLYING \$30,000 BY THE AGGREGATE NUMBER
26 OF JOBS CREATED AND JOBS RETAINED REPORTED IN ANNUAL REPORTS
27 UNDER SECTION 1827-G(B).

28 * * *

29 SECTION 19. SECTIONS 1824-G(B) (2) AND (3), (D) (4) AND (E),
30 1825-G(A) (2), 1826-G(A), 1827-G, 1828-G(C), 1829-G(B) (2.1) AND

1 (3), 1830-G(A), 1832-G(C), 1833-G(A) AND 1834-G(A) OF THE ACT
2 ARE AMENDED TO READ:

3 SECTION 1824-G. RURAL GROWTH FUNDS.

4 * * *

5 (B) INFORMATION.--AN APPLICATION TO QUALIFY AS A RURAL
6 GROWTH FUND SHALL INCLUDE ALL OF THE FOLLOWING:

7 * * *

8 (2) DOCUMENTS AND OTHER EVIDENCE SUFFICIENT TO PROVE TO
9 THE SATISFACTION OF THE DEPARTMENT THAT THE APPLICANT MEETS
10 ALL OF THE FOLLOWING CRITERIA:

11 (I) THE APPLICANT OR AN AFFILIATE OF THE APPLICANT
12 IS LICENSED AS A RURAL BUSINESS INVESTMENT COMPANY UNDER
13 THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT (PUBLIC
14 LAW 87-128, 75 STAT. 307) OR AS A SMALL BUSINESS
15 INVESTMENT COMPANY UNDER THE SMALL BUSINESS INVESTMENT
16 ACT OF 1958 (PUBLIC LAW 85-699, 72 STAT. 689).

17 (II) EVIDENCE THAT AS OF THE DATE THE APPLICATION IS
18 SUBMITTED, THE APPLICANT OR AFFILIATES OF THE APPLICANT
19 HAVE INVESTED AT LEAST \$100,000,000 IN NONPUBLIC
20 COMPANIES LOCATED IN RURAL AREAS OF THIS COMMONWEALTH OR
21 OTHER STATES.

22 (III) AT LEAST ONE PRINCIPAL IN A RURAL BUSINESS
23 INVESTMENT COMPANY OR A SMALL BUSINESS INVESTMENT COMPANY
24 HAS BEEN AN OFFICER OR EMPLOYEE OF THE APPLICANT OR OF AN
25 AFFILIATE OF THE APPLICANT FOR AT LEAST FOUR YEARS PRIOR
26 TO THE DATE THE APPLICATION IS SUBMITTED.

27 (3) AN ESTIMATE OF THE NUMBER OF JOBS [THAT WILL BE]
28 CREATED OR RETAINED IN THIS COMMONWEALTH [AS A RESULT OF]
29 THAT WILL RESULT FROM THE APPLICANT'S RURAL GROWTH
30 INVESTMENTS.

1 * * *

2 (D) NOTICE OF APPROVAL OR DISAPPROVAL.--

3 * * *

4 (4) AN APPLICANT MAY RESUBMIT THE APPLICATION WITHIN 30
5 DAYS AFTER RECEIPT OF A NOTICE OF DISAPPROVAL[.] AND PROVIDE
6 ADDITIONAL INFORMATION TO COMPLETE, CLARIFY OR CURE DEFECTS
7 IDENTIFIED IN THE APPLICATION BY THE DEPARTMENT. THE
8 DEPARTMENT SHALL CONSIDER THAT APPLICATION SUBMITTED BEFORE
9 ANY PENDING APPLICATIONS SUBMITTED AFTER THE DATE THE
10 APPLICATION WAS ORIGINALLY SUBMITTED.

11 (E) REQUEST FOR DETERMINATION.--A RURAL GROWTH FUND, BEFORE
12 MAKING A RURAL GROWTH INVESTMENT, MAY REQUEST FROM THE
13 DEPARTMENT A WRITTEN OPINION AS TO WHETHER THE BUSINESS IN WHICH
14 THE RURAL GROWTH FUND [PROPOSED] PROPOSES TO INVEST IS A RURAL
15 BUSINESS. THE DEPARTMENT SHALL NOTIFY THE RURAL GROWTH FUND OF
16 THE DETERMINATION WITHIN 15 DAYS AFTER RECEIPT OF THE REQUEST.
17 IF THE DEPARTMENT FAILS TO NOTIFY A RURAL GROWTH FUND OF THE
18 DETERMINATION WITHIN 15 DAYS, THE BUSINESS IN WHICH THE RURAL
19 GROWTH FUND PROPOSES TO INVEST SHALL BE CONSIDERED A RURAL
20 BUSINESS.

21 * * *

22 SECTION 1825-G. REQUIREMENTS.

23 (A) COLLECTIONS.--UPON RECEIVING APPROVAL UNDER SECTION
24 1824-G, A RURAL GROWTH FUND MUST DO ALL OF THE FOLLOWING WITHIN
25 60 DAYS:

26 * * *

27 (2) COLLECT ONE OR MORE INVESTMENTS OF CASH THAT, WHEN
28 ADDED TO THE CONTRIBUTIONS COLLECTED UNDER PARAGRAPH (1),
29 EQUAL THE RURAL GROWTH FUND'S INVESTMENT AUTHORITY. AT LEAST
30 10% OF THE RURAL GROWTH FUND'S INVESTMENT AUTHORITY SHALL BE

1 COMPRISED OF EQUITY INVESTMENTS CONTRIBUTED, DIRECTLY OR
2 INDIRECTLY, BY AFFILIATES OF THE RURAL GROWTH FUND, INCLUDING
3 EMPLOYEES, OFFICERS AND DIRECTORS OF THE AFFILIATES.

4 * * *

5 SECTION 1826-G. RURAL GROWTH FUND FAILURE TO COMPLY.

6 (A) REVOCATION.--IF A RURAL GROWTH FUND FAILS TO MEET THE
7 REQUIREMENTS OF SECTION 1825-G, THE RURAL GROWTH FUND'S APPROVAL
8 SHALL BE REVOKED, AND, THE CORRESPONDING INVESTMENT AUTHORITY
9 AND CREDIT-ELIGIBLE CAPITAL CONTRIBUTIONS MAY NOT BE INCLUDED IN
10 DETERMINING THE LIMITS ON TOTAL INVESTMENT AUTHORITY AND CREDIT-
11 ELIGIBLE CAPITAL CONTRIBUTIONS PRESCRIBED IN SECTIONS 1824-G(F)
12 AND 1828-G(C), RESPECTIVELY.

13 * * *

14 SECTION 1827-G. REPORTING OBLIGATIONS.

15 (A) INITIAL REPORT.--EACH RURAL GROWTH FUND SHALL SUBMIT A
16 REPORT TO THE DEPARTMENT ON OR BEFORE THE FIFTH BUSINESS DAY
17 AFTER THE SECOND ANNIVERSARY OF THE CLOSING DATE. THE REPORT
18 SHALL PROVIDE DOCUMENTATION AS TO THE RURAL GROWTH FUND'S RURAL
19 GROWTH INVESTMENTS AND INCLUDE THE FOLLOWING INFORMATION:

20 (1) A BANK STATEMENT EVIDENCING EACH RURAL GROWTH
21 INVESTMENT.

22 (2) THE NAME, LOCATION AND INDUSTRY OF EACH BUSINESS
23 RECEIVING A RURAL GROWTH INVESTMENT, INCLUDING EITHER THE
24 DETERMINATION LETTER ISSUED BY THE DEPARTMENT UNDER SECTION
25 1824-G(E) OR OTHER EVIDENCE THAT THE BUSINESS QUALIFIED AS A
26 RURAL BUSINESS AT THE TIME THE INVESTMENT WAS MADE.

27 (3) [THE NUMBER OF JOBS CREATED OR RETAINED AS A RESULT
28 OF THE FUND'S RURAL GROWTH INVESTMENTS AS OF THE LAST DAY OF
29 THE PRECEDING CALENDAR YEAR.]

30 (4) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT.

1 (5) A COPY OF THE COMMITMENT LETTER OR SUMMARY OF THE
2 TERMS AND CONDITIONS OF THE RURAL GROWTH INVESTMENT OFFERED
3 TO AND ACCEPTED BY THE RURAL BUSINESS.

4 (B) ANNUAL REPORT.--NO LATER THAN MARCH 1 OF EACH YEAR
5 FOLLOWING THE [YEAR IN WHICH THE REPORT REQUIRED UNDER
6 SUBSECTION (A) IS DUE,] CLOSING DATE THE RURAL GROWTH FUND SHALL
7 SUBMIT AN ANNUAL REPORT TO THE DEPARTMENT THAT INCLUDES THE
8 FOLLOWING INFORMATION:

9 (1) THE NUMBER OF JOBS CREATED [OR RETAINED AS A RESULT
10 OF THE FUND'S RURAL GROWTH INVESTMENTS AS OF THE LAST DAY OF
11 THE PRECEDING CALENDAR YEAR.] AND RETAINED BY EACH RURAL
12 BUSINESS. THE NUMBER OF JOBS CREATED AND RETAINED SHALL BE
13 CALCULATED AS FOLLOWS:

14 (I) THE NUMBER OF JOBS CREATED BY A RURAL BUSINESS
15 IS CALCULATED EACH YEAR BY SUBTRACTING THE NUMBER OF
16 FULL-TIME EQUIVALENT EMPLOYEE POSITIONS IN THIS
17 COMMONWEALTH AT THE TIME OF THE INITIAL RURAL GROWTH
18 INVESTMENT IN THE RURAL BUSINESS FROM THE MONTHLY AVERAGE
19 OF THOSE EMPLOYMENT POSITIONS FOR THAT YEAR. IF THE
20 NUMBER CALCULATED IS LESS THAN ZERO, THE NUMBER SHALL BE
21 REPORTED AS ZERO. THE MONTHLY AVERAGE OF FULL-TIME
22 EQUIVALENT EMPLOYEE POSITIONS FOR A YEAR IS CALCULATED BY
23 ADDING TOGETHER THE NUMBER OF FULL-TIME EQUIVALENT
24 EMPLOYEE POSITIONS EXISTING ON THE LAST DAY OF EACH MONTH
25 OF THE YEAR AND DIVIDING BY 12.

26 (II) THE NUMBER OF JOBS RETAINED BY A RURAL BUSINESS
27 IS CALCULATED EACH YEAR BASED ON THE MONTHLY AVERAGE OF
28 FULL-TIME EQUIVALENT EMPLOYEE POSITIONS FOR THAT YEAR.
29 THE MONTHLY AVERAGE OF FULL-TIME EQUIVALENT EMPLOYEE
30 POSITIONS FOR A YEAR IS CALCULATED BY ADDING TOGETHER THE

1 NUMBER OF FULL-TIME EQUIVALENT EMPLOYEE POSITIONS
2 EXISTING ON THE LAST DAY OF EACH MONTH OF THE YEAR AND
3 DIVIDING BY 12. THE REPORTED NUMBER OF JOBS RETAINED FOR
4 A YEAR MAY NOT EXCEED THE NUMBER REPORTED ON THE ANNUAL
5 REPORT UNDER THIS SUBSECTION. THE RURAL GROWTH FUND SHALL
6 REDUCE THE NUMBER OF JOBS RETAINED FOR A YEAR IF
7 EMPLOYMENT AT THE RURAL BUSINESS DROPS BELOW THE NUMBER
8 REPORTED ON THE ANNUAL REPORT.

9 (1.1) IF NOT PROVIDED UNDER SUBSECTION (A) (2), THE NAME
10 AND LOCATION OF EACH BUSINESS RECEIVING A RURAL GROWTH
11 INVESTMENT, INCLUDING EITHER THE DETERMINATION LETTER ISSUED
12 BY THE DEPARTMENT UNDER SECTION 1824-G(E) OR OTHER EVIDENCE
13 THAT THE BUSINESS QUALIFIED AS A RURAL BUSINESS AT THE TIME
14 THE INVESTMENT WAS MADE.

15 (2) THE AVERAGE [ANNUAL SALARY] HOURLY WAGE OF THE JOBS
16 REPORTED IN PARAGRAPH (1).

17 (3) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT.

18 (C) REPORT OF RURAL BUSINESS.--

19 (1) NO LATER THAN MARCH 1 OF EACH YEAR FOLLOWING THE
20 YEAR IN WHICH THE REPORT REQUIRED UNDER SUBSECTION (A) IS
21 DUE, A RURAL BUSINESS THAT RECEIVES A RURAL GROWTH INVESTMENT
22 SHALL SUBMIT THE FOLLOWING INFORMATION ON A FORM REQUIRED BY
23 THE DEPARTMENT:

24 (I) THE NUMBER OF JOBS EXISTING AT THE RURAL
25 BUSINESS PRIOR TO THE RURAL GROWTH INVESTMENT.

26 (II) THE NUMBER OF NEW JOBS CREATED AS A RESULT OF
27 THE RURAL GROWTH INVESTMENT.

28 (III) THE NUMBER OF JOBS RETAINED AS A RESULT OF THE
29 RURAL GROWTH INVESTMENT.

30 (2) FAILURE BY THE RURAL BUSINESS TO SUBMIT THE REPORT

1 MAY RESULT IN THE REDUCTION OF INVESTMENT AUTHORITY OR CREDIT
2 ELIGIBLE CONTRIBUTION AUTHORITY OF THE RURAL GROWTH FUND.

3 SECTION 1828-G. BUSINESS FIRMS.

4 * * *

5 (C) LIMITATION.--THE DEPARTMENT MAY NOT APPROVE MORE THAN
6 [\$4,000,000] \$30,000,000 IN CREDIT-ELIGIBLE CAPITAL
7 CONTRIBUTIONS UNDER THIS PART.

8 SECTION 1829-G. TAX CREDIT CERTIFICATES.

9 * * *

10 (B) REVIEW, RECOMMENDATION AND APPROVAL.--

11 * * *

12 (2.1) [A TAX CREDIT] TAX CREDITS AWARDED UNDER THIS
13 SECTION TO A BUSINESS FIRM SHALL NOT EXCEED [90%] THE AMOUNT
14 OF THE CREDIT-ELIGIBLE CAPITAL CONTRIBUTIONS MADE BY [A] THE
15 BUSINESS FIRM.

16 (3) IN AWARDING TAX CREDIT CERTIFICATES UNDER THIS PART,
17 THE DEPARTMENT:

18 (I) BEGINNING WITH FISCAL YEAR [2017-2018] 2019-
19 2020, MAY NOT AWARD TAX CREDIT CERTIFICATES THAT WOULD
20 RESULT IN THE UTILIZATION OF MORE THAN [\$1,000,000]
21 \$6,000,000 IN TAX CREDITS IN ANY FISCAL YEAR, EXCEPT FOR
22 TAX CREDITS CARRIED FORWARD.

23 (II) MAY NOT AWARD MORE THAN [\$4,000,000]
24 \$30,000,000 IN TAX CREDIT CERTIFICATES, IN THE AGGREGATE,
25 UNDER THIS PART.

26 SECTION 1830-G. CLAIMING THE TAX CREDIT.

27 (A) PRESENTATION.--BEGINNING JULY 1, [2017] 2019, UPON
28 PRESENTING A TAX CREDIT CERTIFICATE TO THE DEPARTMENT OF
29 REVENUE, A BUSINESS FIRM MAY CLAIM A TAX CREDIT OF UP TO [25%]
30 20% OF THE AMOUNT AWARDED UNDER SECTION 1829-G FOR EACH OF THE

1 TAXABLE YEARS THAT INCLUDES THE THIRD, FOURTH, FIFTH [AND],
2 SIXTH AND SEVENTH ANNIVERSARIES OF THE CLOSING DATE, EXCLUSIVE
3 OF ANY TAX CREDIT AMOUNTS CARRIED OVER UNDER SECTION 1831-G(B).

4 * * *

5 SECTION 1832-G. PROHIBITIONS.

6 * * *

7 (C) BUSINESS ACTIVITIES.--NEITHER A RURAL GROWTH FUND NOR
8 ANY BUSINESS FIRM THAT INVESTS IN THE RURAL GROWTH FUND SHALL BE
9 AN AFFILIATE OF OR HAVE A PECUNIARY INTEREST IN A RURAL BUSINESS
10 THAT RECEIVES A RURAL GROWTH INVESTMENT FROM THE RURAL GROWTH
11 FUND PRIOR TO THE RURAL GROWTH FUND'S INITIAL RURAL GROWTH
12 INVESTMENT IN THE RURAL BUSINESS.

13 SECTION 1833-G. REVOCATION OF TAX CREDIT CERTIFICATES.

14 (A) REVOCATION.--THE DEPARTMENT SHALL REVOKE A TAX CREDIT
15 CERTIFICATE AWARDED UNDER SECTION 1829-G IF ANY OF THE FOLLOWING
16 OCCUR WITH RESPECT TO A RURAL GROWTH FUND BEFORE THE RURAL
17 GROWTH FUND EXITS THE PROGRAM UNDER SECTION 1834-G:

18 (1) THE RURAL GROWTH FUND IN WHICH THE CREDIT-ELIGIBLE
19 CAPITAL CONTRIBUTION WAS MADE DOES NOT INVEST ALL OF ITS
20 INVESTMENT AUTHORITY IN RURAL GROWTH INVESTMENTS IN THIS
21 COMMONWEALTH WITHIN [TWO] THREE YEARS OF THE CLOSING DATE
22 WITH AT LEAST 25% OF ITS INVESTMENT AUTHORITY INITIALLY
23 INVESTED IN RURAL BUSINESSES ENGAGED IN MANUFACTURING.

24 (2) THE RURAL GROWTH FUND, AFTER SATISFYING THE
25 CONDITIONS OF PARAGRAPH (1), FAILS TO MAINTAIN RURAL GROWTH
26 INVESTMENTS EQUAL TO 100% OF ITS INVESTMENT AUTHORITY UNTIL
27 THE [SIXTH] SEVENTH ANNIVERSARY OF THE CLOSING DATE. FOR THE
28 PURPOSES OF THIS PARAGRAPH, [AN] A RURAL GROWTH INVESTMENT IS
29 "MAINTAINED" EVEN IF THE RURAL GROWTH INVESTMENT IS SOLD OR
30 REPAYED SO LONG AS THE RURAL GROWTH FUND REINVESTS AN AMOUNT

1 EQUAL TO THE CAPITAL RETURNED OR RECOVERED BY THE RURAL
2 GROWTH FUND FROM THE ORIGINAL RURAL GROWTH INVESTMENT,
3 EXCLUSIVE OF ANY PROFITS REALIZED, IN OTHER RURAL GROWTH
4 INVESTMENTS IN THIS COMMONWEALTH WITHIN 12 MONTHS OF THE
5 RECEIPT OF THE CAPITAL. AMOUNTS RECEIVED PERIODICALLY BY A
6 RURAL GROWTH FUND SHALL BE TREATED AS CONTINUALLY INVESTED IN
7 RURAL GROWTH INVESTMENTS IF THE AMOUNTS ARE REINVESTED IN ONE
8 OR MORE RURAL GROWTH INVESTMENTS BY THE END OF THE FOLLOWING
9 CALENDAR YEAR. A RURAL GROWTH FUND IS NOT REQUIRED TO
10 REINVEST CAPITAL RETURNED FROM RURAL GROWTH INVESTMENTS AFTER
11 THE [~~FIFTH~~] SIXTH ANNIVERSARY OF THE CLOSING DATE, AND THE
12 RURAL GROWTH INVESTMENTS SHALL BE CONSIDERED HELD
13 CONTINUOUSLY BY THE RURAL GROWTH FUND THROUGH THE [~~SIXTH~~]
14 SEVENTH ANNIVERSARY OF THE CLOSING DATE.

15 (3) THE RURAL GROWTH FUND, BEFORE EXITING THE PROGRAM IN
16 ACCORDANCE WITH SECTION 1834-G, MAKES A DISTRIBUTION OR
17 PAYMENT THAT RESULTS IN THE RURAL GROWTH FUND HAVING LESS
18 THAN 100% OF ITS INVESTMENT AUTHORITY INVESTED IN RURAL
19 GROWTH INVESTMENTS IN THIS COMMONWEALTH OR AVAILABLE FOR
20 INVESTMENT IN RURAL GROWTH INVESTMENTS AND HELD IN CASH AND
21 OTHER MARKETABLE SECURITIES.

22 [(4) THE RURAL GROWTH FUND INVESTS MORE THAN 20% OF ITS
23 INVESTMENT AUTHORITY IN THE SAME RURAL BUSINESS, INCLUDING
24 AMOUNTS INVESTED IN AFFILIATES OF THE RURAL BUSINESS.]

25 (5) THE RURAL GROWTH FUND MAKES A RURAL GROWTH
26 INVESTMENT IN A RURAL BUSINESS THAT DIRECTLY OR INDIRECTLY
27 THROUGH AN AFFILIATE OWNS, HAS THE RIGHT TO ACQUIRE AN
28 OWNERSHIP INTEREST, MAKES A LOAN TO OR MAKES AN INVESTMENT IN
29 THE RURAL GROWTH FUND, AN AFFILIATE OF THE RURAL GROWTH FUND
30 OR AN INVESTOR IN THE RURAL GROWTH FUND. THIS PARAGRAPH DOES

1 NOT APPLY TO INVESTMENTS IN PUBLICLY TRADED SECURITIES BY A
2 RURAL BUSINESS OR AN OWNER OR AFFILIATE OF A RURAL BUSINESS.
3 FOR PURPOSES OF THIS PARAGRAPH, A RURAL GROWTH FUND SHALL NOT
4 BE CONSIDERED AN AFFILIATE OF A RURAL BUSINESS SOLELY AS A
5 RESULT OF ITS RURAL GROWTH INVESTMENT. THE AMOUNT BY WHICH A
6 RURAL GROWTH INVESTMENT IN A RURAL BUSINESS, EXCLUSIVE OF
7 RECEIPTS OR REDEEMED RURAL GROWTH INVESTMENTS, EXCEEDS 20% OF
8 A RURAL GROWTH FUND'S INVESTMENT AUTHORITY MAY NOT COUNT
9 TOWARD THE SATISFACTION OF THE REQUIREMENTS OF SUBSECTIONS
10 (A) (1) AND (2).

11 * * *

12 SECTION 1834-G. EXIT.

13 (A) APPLICATION FOR EXIT.--ON OR AFTER THE [~~SIXTH~~] SEVENTH
14 ANNIVERSARY OF THE CLOSING DATE, A RURAL GROWTH FUND MAY APPLY
15 TO THE DEPARTMENT TO EXIT THE RURAL JOBS AND INVESTMENT TAX
16 CREDIT PROGRAM AND NO LONGER BE SUBJECT TO REGULATION UNDER THIS
17 PART. A RURAL GROWTH FUND SHALL CALCULATE THE STATE REPAYMENT
18 AMOUNT IN ITS APPLICATION FOR EXIT AND IF THE PRODUCT IS GREATER
19 THAN THE RURAL GROWTH FUND'S CREDIT-ELIGIBLE CAPITAL
20 CONTRIBUTIONS, THE STATE REPAYMENT AMOUNT SHALL EQUAL ZERO. THE
21 DEPARTMENT SHALL RESPOND TO THE APPLICATION WITHIN 30 DAYS AFTER
22 RECEIPT AND CONFIRM THE STATE REPAYMENT AMOUNT. IN EVALUATING
23 THE APPLICATION, THE FACT THAT NO TAX CREDIT CERTIFICATES HAVE
24 BEEN REVOKED AND THAT THE RURAL GROWTH FUND HAS NOT RECEIVED A
25 NOTICE OF REVOCATION THAT HAS NOT BEEN CURED UNDER SECTION 1833-
26 G(B) SHALL BE SUFFICIENT EVIDENCE TO SHOW THAT THE RURAL GROWTH
27 FUND IS ELIGIBLE FOR EXIT. THE DEPARTMENT MAY NOT DENY AN
28 APPLICATION SUBMITTED UNDER THIS SUBSECTION WITHOUT REASONABLE
29 CAUSE. IF THE APPLICATION IS DENIED, THE DEPARTMENT SHALL ISSUE
30 A NOTICE WHICH SHALL INCLUDE THE REASONS FOR THE DENIAL. IF THE

1 RURAL GROWTH FUND OWES A STATE REPAYMENT AMOUNT, THE RURAL
2 GROWTH FUND MAY NOT BE PERMITTED TO MAKE DISTRIBUTIONS OR
3 PAYMENTS IN EXCESS OF THE INVESTMENT AUTHORITY UNTIL THE RURAL
4 GROWTH FUND FIRST REMITS THE STATE REPAYMENT AMOUNT TO THE
5 DEPARTMENT. ALL AMOUNTS RECEIVED BY THE DEPARTMENT UNDER THIS
6 SECTION SHALL BE CREDITED TO THE GENERAL FUND.

7 * * *

8 SECTION 19.1. SECTION 1902-A OF THE ACT IS AMENDED BY ADDING
9 A DEFINITION TO READ:

10 SECTION 1902-A. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
11 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANINGS
12 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
13 CLEARLY INDICATES A DIFFERENT MEANING:

14 * * *

15 "YOUTH AND ADOLESCENT DEVELOPMENT SERVICES." FINANCIAL
16 ASSISTANCE TO PROVIDE SERVICES TO YOUTH AND ADOLESCENTS WHO ARE
17 21 YEARS OF AGE AND YOUNGER, INCLUDING JOB TRAINING AND
18 APPRENTICESHIP PROGRAMS, JOB PLACEMENT AND RETENTION TRAINING,
19 EDUCATION AND AFTER SCHOOL PROGRAMS, SUCH AS SCHOOL PROGRAMS
20 WITH SHARED GOVERNANCE BY STUDENTS, TEACHERS AND PARENTS, AND
21 ACTIVITIES FOR YOUTH BETWEEN THE HOURS OF 3 P.M. AND 11 P.M.,
22 MENTORING PROGRAMS, CONFLICT RESOLUTION SKILLS TRAINING, SPORTS,
23 ARTS, LIFE SKILLS, EMPLOYMENT AND RECREATION PROGRAMS, SUMMER
24 JOBS, SUMMER RECREATION PROGRAMS AND ALTERNATIVE SCHOOL
25 RESOURCES FOR YOUTH WHO HAVE DROPPED OUT OF SCHOOL OR
26 DEMONSTRATE CHRONIC TRUANCY.

27 SECTION 19.2. SECTION 1903-A OF THE ACT IS AMENDED TO READ:

28 SECTION 1903-A. PUBLIC POLICY.--IT IS HEREBY DECLARED TO BE
29 PUBLIC POLICY OF THIS COMMONWEALTH TO ENCOURAGE INVESTMENT BY
30 BUSINESS FIRMS IN OFFERING NEIGHBORHOOD ASSISTANCE AND PROVIDING

1 JOB TRAINING, EDUCATION, CRIME PREVENTION, YOUTH AND ADOLESCENT
2 DEVELOPMENT SERVICES AND COMMUNITY SERVICES, TO ENCOURAGE
3 CONTRIBUTIONS BY BUSINESS FIRMS TO NEIGHBORHOOD ORGANIZATIONS
4 WHICH OFFER AND PROVIDE SUCH ASSISTANCE AND SERVICES AND TO
5 PROMOTE QUALIFIED INVESTMENTS MADE BY PRIVATE COMPANIES TO
6 REHABILITATE, EXPAND OR IMPROVE BUILDINGS OR LAND WHICH PROMOTE
7 COMMUNITY ECONOMIC DEVELOPMENT AND WHICH OCCUR IN PORTIONS OF
8 IMPOVERISHED AREAS WHICH HAVE BEEN DESIGNATED AS ENTERPRISE
9 ZONES.

10 SECTION 19.3. SECTION 1904-A(A) AND (B.1) OF THE ACT ARE
11 AMENDED AND THE SECTION IS AMENDED BY ADDING A SUBSECTION TO
12 READ:

13 SECTION 1904-A. TAX CREDIT.-- (A) ANY BUSINESS FIRM WHICH
14 ENGAGES OR CONTRIBUTES TO A NEIGHBORHOOD ORGANIZATION WHICH
15 ENGAGES IN THE ACTIVITIES OF PROVIDING NEIGHBORHOOD ASSISTANCE,
16 COMPREHENSIVE SERVICE PROJECTS, AFFORDABLE HOUSING, DOMESTIC
17 VIOLENCE OR VETERANS' HOUSING ASSISTANCE, JOB TRAINING OR
18 EDUCATION FOR INDIVIDUALS, COMMUNITY SERVICES, YOUTH AND
19 ADOLESCENT DEVELOPMENT SERVICES OR CRIME PREVENTION IN AN
20 IMPOVERISHED AREA OR PRIVATE COMPANY WHICH MAKES QUALIFIED
21 INVESTMENT TO REHABILITATE, EXPAND OR IMPROVE BUILDINGS OR LAND
22 LOCATED WITHIN PORTIONS OF IMPOVERISHED AREAS WHICH HAVE BEEN
23 DESIGNATED AS ENTERPRISE ZONES SHALL RECEIVE A TAX CREDIT AS
24 PROVIDED IN SECTION 1905-A IF THE SECRETARY ANNUALLY APPROVES
25 THE PROPOSAL OF SUCH BUSINESS FIRM OR PRIVATE COMPANY. THE
26 PROPOSAL SHALL SET FORTH THE PROGRAM TO BE CONDUCTED, THE
27 IMPOVERISHED AREA SELECTED, THE ESTIMATED AMOUNT TO BE INVESTED
28 IN THE PROGRAM AND THE PLANS FOR IMPLEMENTING THE PROGRAM.

29 * * *

30 (B.1) THE SECRETARY SHALL TAKE INTO SPECIAL CONSIDERATION,

1 WHEN APPROVING APPLICATIONS FOR NEIGHBORHOOD ASSISTANCE TAX
2 CREDITS, APPLICATIONS WHICH INVOLVE:

3 (1) MULTIPLE PROJECTS IN VARIOUS MARKETS THROUGHOUT THIS
4 COMMONWEALTH; [AND]

5 (2) CHARITABLE FOOD PROGRAMS[.]; AND

6 (3) YOUTH AND ADOLESCENT DEVELOPMENT SERVICES.

7 * * *

8 (C.1) NO MORE THAN TWO MILLION DOLLARS (\$2,000,000) OF THE
9 TOTAL AMOUNT OF TAX CREDIT AVAILABLE UNDER SUBSECTION (C) SHALL
10 BE USED FOR YOUTH AND ADOLESCENT DEVELOPMENT SERVICES.

11 * * *

12 SECTION 20. ARTICLE XIX-D OF THE ACT IS AMENDED BY ADDING A
13 PART TO READ:

14 PART III

15 ADDITIONAL DESIGNATIONS

16 SECTION 1921-D. ADDITIONAL KEYSTONE OPPORTUNITY EXPANSION
17 ZONES.

18 (A) ESTABLISHMENT.--IN ADDITION TO ANY DESIGNATIONS UNDER
19 PART II OR SECTION 301.1 OF THE KOZ ACT, THE DEPARTMENT MAY
20 DESIGNATE ONE OR MORE ADDITIONAL KEYSTONE OPPORTUNITY EXPANSION
21 ZONES WITHIN THE FOLLOWING COUNTIES:

22 (1) A COUNTY THAT HAS A POPULATION OF AT LEAST 500,000
23 BUT LESS THAN 525,000 BASED ON THE 2010 FEDERAL DECENNIAL
24 CENSUS.

25 (2) A COUNTY THAT HAS A POPULATION OF AT LEAST 140,000
26 BUT LESS THAN 145,000 BASED ON THE 2010 FEDERAL DECENNIAL
27 CENSUS.

28 (3) A COUNTY THAT HAS A POPULATION OF AT LEAST 80,000
29 BUT LESS THAN 85,000 BASED ON THE 2010 FEDERAL DECENNIAL
30 CENSUS.

1 (B) CRITERIA.--NOTWITHSTANDING PART II AND THE KOZ ACT, AN
2 ADDITIONAL KEYSTONE OPPORTUNITY EXPANSION ZONE UNDER THIS PART:

3 (1) MAY BE LESS THAN 10 ACRES IN SIZE.

4 (2) MAY NOT EXCEED, IN THE AGGREGATE, A TOTAL OF 375
5 ACRES.

6 (3) SHALL BE COMPRISED OF PARCELS THAT ARE DETERIORATED,
7 UNDERUTILIZED OR UNOCCUPIED ON THE EFFECTIVE DATE OF THIS
8 PARAGRAPH.

9 (C) AUTHORIZATION.--

10 (1) PERSONS AND BUSINESSES WITHIN AN ADDITIONAL KEYSTONE
11 OPPORTUNITY EXPANSION ZONE AUTHORIZED UNDER SUBSECTION (A)
12 SHALL BE ENTITLED TO ALL TAX EXEMPTIONS, DEDUCTIONS,
13 ABATEMENTS OR CREDITS UNDER THIS SECTION AND EXEMPTIONS FOR
14 SALES AND USE TAX UNDER SECTION 511(A) OR 705(A) OF THE KOZ
15 ACT FOR A PERIOD OF 10 YEARS.

16 (2) EXEMPTIONS FOR SALES AND USE TAXES UNDER SECTIONS
17 511 AND 705 OF THE KOZ ACT SHALL COMMENCE UPON ISSUANCE OF A
18 CERTIFICATE UNDER SECTION 307 OF THE KOZ ACT BY THE
19 DEPARTMENT.

20 (D) APPLICATION.--

21 (1) IN ORDER TO RECEIVE A DESIGNATION UNDER THIS
22 SECTION, THE DEPARTMENT MUST RECEIVE AN APPLICATION FROM A
23 POLITICAL SUBDIVISION OR ITS DESIGNEE NO LATER THAN OCTOBER
24 1, 2021. THE APPLICATION MUST CONTAIN THE INFORMATION
25 REQUIRED UNDER SECTION 302(A) (1), (2) (I) AND (IX), (5) AND
26 (6) OF THE KOZ ACT.

27 (2) THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT
28 OF REVENUE, SHALL REVIEW THE APPLICATION AND, IF APPROVED,
29 ISSUE A CERTIFICATION OF ALL TAX EXEMPTIONS, DEDUCTIONS,
30 ABATEMENTS OR CREDITS UNDER THIS ACT FOR THE ZONE WITHIN

1 THREE MONTHS OF RECEIPT OF THE APPLICATION.

2 (3) THE DEPARTMENT SHALL ACT ON AN APPLICATION FOR A
3 DESIGNATION UNDER SECTION 302(A) (1) OF THE KOZ ACT BY
4 DECEMBER 31, 2021.

5 (4) THE DEPARTMENT MAY MAKE DESIGNATIONS UNDER THIS
6 SECTION ON A ROLLING BASIS DURING THE APPLICATION PERIOD.

7 (E) DISAPPROVAL.--IF THE DEPARTMENT DOES NOT APPROVE OF A
8 DESIGNATION AS AN ADDITIONAL KEYSTONE OPPORTUNITY EXPANSION ZONE
9 OF A PARCEL UNDER SUBSECTION (D), THE DEPARTMENT SHALL HOLD A
10 PUBLIC HEARING IN THE MUNICIPALITY FOR WHICH THE APPLICATION WAS
11 MADE WITHIN 30 DAYS OF THE DISAPPROVAL. THE SECRETARY OF
12 COMMUNITY AND ECONOMIC DEVELOPMENT, OR A DESIGNEE, SHALL PROVIDE
13 THE FOLLOWING INFORMATION AT THE PUBLIC HEARING:

14 (1) THE REASON FOR THE DISAPPROVAL.

15 (2) THE ESTIMATED NUMBER OF NEW JOBS THAT WOULD HAVE
16 BEEN CREATED IN THE PARCEL.

17 (3) THE ESTIMATED DOLLAR AMOUNT OF NEW INVESTMENT THAT
18 WOULD HAVE BEEN MADE IN THE PARCEL.

19 (4) AN ALTERNATIVE ECONOMIC DEVELOPMENT PLAN DEVELOPED
20 BY THE DEPARTMENT THAT WOULD, IF IMPLEMENTED, PROVIDE AN
21 EQUIVALENT NUMBER OF JOBS AND AMOUNT OF INVESTMENT IN THE
22 MUNICIPALITY FOR WHICH THE APPLICATION WAS MADE.

23 (F) TRANSPARENCY.--THE DEPARTMENT SHALL CONDUCT THE PUBLIC
24 HEARING REQUIRED UNDER SUBSECTION (E) IN ACCORDANCE WITH
25 APPLICABLE PROVISIONS OF 65 PA.C.S. CH. 7 (RELATING TO OPEN
26 MEETINGS).

27 SECTION 20.1. SECTION 1907-E(A) OF THE ACT IS AMENDED TO
28 READ:

29 SECTION 1907-E. MIXED-USE DEVELOPMENT TAX CREDITS.

30 (A) TAX CREDIT AUTHORITY.--FOR PURPOSES, AND IN ACCORDANCE

1 WITH THE PROVISIONS OF THIS ARTICLE, THE AGENCY MAY ALLOCATE AN
2 AMOUNT NOT TO EXCEED [~~\$2,000,000~~] \$3,000,000 IN EACH FISCAL YEAR
3 IN MIXED-USE DEVELOPMENT TAX CREDITS AND IS DIRECTED TO DEPOSIT
4 PROCEEDS AND EARNINGS DERIVED FROM THE SALE INTO THE FUND.

5 * * *

6 SECTION 21. SECTION 2116(A)(2) OF THE ACT IS AMENDED AND THE
7 CLAUSE IS AMENDED BY ADDING A SUBCLAUSE TO READ:

8 SECTION 2116. INHERITANCE TAX.--(A) * * *

9 (1.4) INHERITANCE TAX UPON THE TRANSFER OF PROPERTY TO OR
10 FOR THE USE OF A CHILD TWENTY-ONE YEARS OF AGE OR YOUNGER FROM A
11 NATURAL PARENT, AN ADOPTIVE PARENT OR A STEPPARENT OF THE CHILD
12 SHALL BE AT THE RATE OF ZERO PER CENT.

13 (2) INHERITANCE TAX UPON THE TRANSFER OF PROPERTY PASSING TO
14 OR FOR THE USE OF ALL PERSONS OTHER THAN THOSE DESIGNATED IN
15 SUBCLAUSE (1), (1.1), (1.2) [~~OR~~], (1.3) OR 1.4 OR EXEMPT UNDER
16 SECTION 2111(M) SHALL BE AT THE RATE OF FIFTEEN PER CENT.

17 * * *

18 SECTION 21.1. THE HEADING OF ARTICLE XXV AND SECTIONS 2501
19 AND 2502 OF THE ACT ARE REENACTED TO READ:

20 ARTICLE XXV

21 TABLE GAME TAXES

22 SECTION 2501. DEFINITIONS.

23 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
24 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
25 CONTEXT CLEARLY INDICATES OTHERWISE:

26 "CERTIFICATE HOLDER." AS DEFINED IN 4 PA.C.S. § 1103
27 (RELATING TO DEFINITIONS).

28 "GROSS TABLE GAME REVENUE." AS DEFINED IN 4 PA.C.S. § 1103.

29 "TABLE GAME." AS DEFINED IN 4 PA.C.S. § 1103.

30 SECTION 2502. TABLE GAME TAXES.

1 COMMENCING AUGUST 1, 2016, IN ADDITION TO THE TAX PAYABLE
2 UNDER 4 PA.C.S. § 13A62(A)(1) (RELATING TO TABLE GAME TAXES),
3 EACH CERTIFICATE HOLDER SHALL REPORT TO THE DEPARTMENT OF
4 REVENUE AND PAY FROM ITS DAILY GROSS TABLE GAME REVENUE AN
5 ADDITIONAL TAX OF 2% OF ITS DAILY GROSS TABLE GAME REVENUE. THE
6 ADDITIONAL TAX SHALL BE SUBJECT TO ALL PROVISIONS OF 4 PA.C.S.
7 CH. 13A (RELATING TO TABLE GAMES) RELATING TO THE PAYMENT OF
8 TAXES BY A CERTIFICATE HOLDER IN THE SAME MANNER AS THE TAX
9 PAYABLE UNDER 4 PA.C.S. § 13A62(A)(1).

10 SECTION 22. SECTION 2503 OF THE ACT IS REENACTED AND AMENDED
11 TO READ:

12 SECTION 2503. EXPIRATION.

13 (A) EXPIRATION.--THIS ARTICLE SHALL EXPIRE [JUNE 30, 2019]
14 AUGUST 1, 2021.

15 [(B) TAX NOT APPLICABLE.--NOTWITHSTANDING ANY LAW TO THE
16 CONTRARY, THE TAX IMPOSED BY 4 PA.C.S. § 13A62(A)(3) (RELATING
17 TO TABLE GAME TAXES) SHALL NOT APPLY FOR THE PERIOD FROM THE
18 EFFECTIVE DATE OF THIS SECTION UNTIL AFTER THE EXPIRATION DATE
19 IN SUBSECTION (A).]

20 SECTION 23. SECTIONS 2931-C AND 2945-C OF THE ACT ARE
21 AMENDED BY ADDING SUBSECTIONS TO READ:

22 SECTION 2931-C. SALES AND USE TAX.

23 * * *

24 (C) EXCLUSIVE USE, CONSUMPTION AND UTILIZATION.--IN MAKING A
25 DETERMINATION WHETHER TANGIBLE PERSONAL PROPERTY IS FOR THE
26 EXCLUSIVE USE, CONSUMPTION AND UTILIZATION BY THE QUALIFIED
27 BUSINESS AT ITS FACILITY LOCATED WITHIN A STRATEGIC DEVELOPMENT
28 AREA, THE DEPARTMENT OF REVENUE SHALL CONSTRUE THE TERM
29 "EXCLUSIVE USE, CONSUMPTION AND UTILIZATION" TO INCLUDE USE,
30 CONSUMPTION OR UTILIZATION AT A LOCATION OTHER THAN THE FACILITY

1 OF COMPUTERS, LAPTOPS, TABLET COMPUTERS, COMPUTER HARDWARE,
2 RELATED SOFTWARE, STORAGE MEDIA, PORTABLE SCANNERS AND PRINTERS,
3 MOBILE RADIO DEVICES, CELL PHONES, CELL PHONE ACCESSORIES,
4 TELECOMMUNICATIONS SERVICES, GLOBAL POSITIONING SYSTEMS AND
5 ACCESSORIES AND PARTS FOR MOTOR VEHICLES, BY AN EMPLOYEE
6 ASSIGNED TO THE FACILITY WITHIN THE STRATEGIC DEVELOPMENT AREA.
7 SECTION 2945-C. LOCAL SALES AND USE TAX.

8 * * *

9 (B.1) EXCLUSIVE USE, CONSUMPTION AND UTILIZATION.--IN MAKING
10 A DETERMINATION WHETHER TANGIBLE PERSONAL PROPERTY IS FOR THE
11 EXCLUSIVE USE, CONSUMPTION AND UTILIZATION BY THE QUALIFIED
12 BUSINESS AT ITS FACILITY LOCATED WITHIN A STRATEGIC DEVELOPMENT
13 AREA, THE DEPARTMENT OF REVENUE AND THE POLITICAL SUBDIVISION
14 IMPOSING THE TAX SHALL CONSTRUE THE TERM "EXCLUSIVE USE,
15 CONSUMPTION AND UTILIZATION" TO INCLUDE USE, CONSUMPTION OR
16 UTILIZATION AT A LOCATION OTHER THAN THE FACILITY OF COMPUTERS,
17 LAPTOPS, TABLET COMPUTERS, COMPUTER HARDWARE, RELATED SOFTWARE,
18 STORAGE MEDIA, PORTABLE SCANNERS AND PRINTERS, MOBILE RADIO
19 DEVICES, CELL PHONES, CELL PHONE ACCESSORIES, TELECOMMUNICATIONS
20 SERVICES, GLOBAL POSITIONING SYSTEMS AND ACCESSORIES AND PARTS
21 FOR MOTOR VEHICLES, BY AN EMPLOYEE ASSIGNED TO THE FACILITY
22 WITHIN THE STRATEGIC DEVELOPMENT AREA.

23 * * *

24 SECTION 24. SECTION 2914-D(A) OF THE ACT IS AMENDED TO READ:
25 SECTION 2914-D. LIMITATIONS.

26 (A) TOTAL.--THE TOTAL AMOUNT OF STATE TAX REFUNDS APPROVED
27 BY THE DEPARTMENT UNDER THIS ARTICLE SHALL NOT EXCEED
28 [\$5,000,000] \$7,000,000 IN ANY FISCAL YEAR.

29 * * *

30 SECTION 25. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

1 ARTICLE XXIX-H

2 INDEPENDENT PUBLIC SCHOOLS

3 SECTION 2901-H. TAXABILITY OF INDEPENDENT PUBLIC SCHOOLS.

4 A CHARTER SCHOOL, REGIONAL CHARTER SCHOOL OR CYBER CHARTER
5 SCHOOL, AS DEFINED IN SECTION 1703-A OF THE ACT OF MARCH 10,
6 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949,
7 IS AN INDEPENDENT PUBLIC SCHOOL AND SHALL BE FREE FROM TAXATION
8 WITHIN THIS COMMONWEALTH TO THE SAME EXTENT AS A SCHOOL DISTRICT
9 FOR PURPOSES OF THE SURPLUS LINES TAX UNDER SECTION 1621 OF THE
10 ACT OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE INSURANCE
11 COMPANY LAW OF 1921.

12 SECTION 26. THE ADDITION OF SECTIONS 201(G) (9), (EEE),
13 (FFF), (GGG) AND 202(H) OF THE ACT SHALL APPLY TO SALES OF MALT
14 OR BREWED BEVERAGES SOLD BY A MANUFACTURER OF MALT OR BREWED
15 BEVERAGES OCCURRING AFTER SEPTEMBER 30, 2019.

16 SECTION 27. THE AMENDMENT OR ADDITION OF SECTION 204(49),
17 (71) AND (72) OF THE ACT SHALL APPLY TO SALES MADE AFTER
18 DECEMBER 31, 2019.

19 SECTION 28. THE AMENDMENT OR ADDITION OF SECTION 303(A) (3)
20 (VIII) AND (5) OF THE ACT SHALL APPLY TO TAX YEARS BEGINNING
21 AFTER DECEMBER 31, 2019.

22 SECTION 29. THE AMENDMENT OR ADDITION OF SECTIONS 331(G) AND
23 336.3 OF THE ACT SHALL APPLY TO TAX YEARS BEGINNING AFTER
24 DECEMBER 31, 2019.

25 SECTION 30. THE AMENDMENT OR ADDITION OF SECTION 407.7(A)
26 AND (D) (1), (1.1) AND (1.2) OF THE ACT SHALL APPLY TO TAX YEARS
27 BEGINNING AFTER DECEMBER 31, 2019.

28 SECTION 31. THE AMENDMENT OF SECTIONS 1716-D(A), 1777-D,
29 1709-E, 1702-H, 1703-H, 1705-H(D) AND (E) AND 1706-H(A) OF THE
30 ACT SHALL APPLY TO FISCAL YEARS BEGINNING ON OR AFTER JULY 1,

1 2019.

2 SECTION 32. THE AMENDMENT OR ADDITION OF SECTION 2116(A)
3 (1.4) AND (2) OF THE ACT SHALL APPLY TO PROPERTY TRANSFERRED BY
4 A NATURAL PARENT, AN ADOPTIVE PARENT OR A STEPPARENT WHO DIES
5 AFTER DECEMBER 31, 2019.

6 SECTION 32.1. THE REENACTMENT AND AMENDMENT OF SECTION 2503
7 OF THE ACT SHALL APPLY RETROACTIVELY TO JUNE 29, 2019.

8 SECTION 33. THE FOLLOWING SHALL APPLY:

9 (1) THE OPERATION OF SECTIONS 213, 213.1, 213.2, 213.3,
10 213.4, 213.5 AND 213.6 OF THE ACT SHALL BE SUSPENDED AS OF
11 JULY 1, 2019.

12 (2) IF SECTION 201(B) (3.5) OR 237(B) (1.2) OF THE ACT ARE
13 DEEMED UNCONSTITUTIONAL AS A RESULT OF A DECISION OF THE
14 PENNSYLVANIA SUPREME COURT OR IF A SUBSTANTIALLY SIMILAR
15 STATUTE FROM ANOTHER STATE IS DEEMED UNCONSTITUTIONAL BY A
16 DECISION OF THE UNITED STATES SUPREME COURT, THE SECRETARY OF
17 REVENUE SHALL SUBMIT A NOTICE OF THE DECISION TO THE
18 LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION IN THE
19 PENNSYLVANIA BULLETIN.

20 (3) THE SUSPENSION OF SECTIONS 213, 213.1, 213.2, 213.3,
21 213.4, 213.5 AND 213.6 OF THE ACT SHALL LAPSE AS OF THE DATE
22 OF THE PUBLICATION OF THE NOTICE UNDER PARAGRAPH (2).

23 SECTION 34. THE ADDITION OF SECTIONS 2931-C(C) AND 2945-
24 C(B.1) OF THE ACT SHALL NOT AFFECT ANY AUDIT, APPEAL OR
25 PROCEEDING PENDING BEFORE THE DEPARTMENT OF REVENUE, THE BOARD
26 OF FINANCE AND REVENUE OR A COURT OF COMPETENT JURISDICTION IN
27 THIS COMMONWEALTH ON THE EFFECTIVE DATE OF THIS SECTION.

28 SECTION 35. REPEALS ARE AS FOLLOWS:

29 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
30 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF

1 SECTION 1102-C.6 OF THE ACT.

2 (2) SECTION 406-D(C) OF THE ACT OF DECEMBER 3, 1959
3 (P.L.1688, NO.621), KNOWN AS THE HOUSING FINANCE AGENCY LAW,
4 IS REPEALED.

5 SECTION 36. CONTINUATION IS AS FOLLOWS:

6 (1) THE ADDITION OF SECTION 1102-C.6 OF THE ACT IS A
7 CONTINUATION OF SECTION 406-D(C) OF THE ACT OF DECEMBER 3,
8 1959 (P.L. 1688, NO. 621), KNOWN AS THE HOUSING FINANCE
9 AGENCY LAW. THE FOLLOWING APPLY:

10 (I) ALL ACTIVITIES INITIATED UNDER SECTION 406-D(C)
11 OF THE HOUSING FINANCE AGENCY LAW SHALL CONTINUE AND
12 REMAIN IN FULL FORCE AND EFFECT AND MAY BE COMPLETED
13 UNDER SECTION 1102-C.6 OF THE TAX REFORM CODE OF 1971.
14 ORDERS, REGULATIONS, RULES AND DECISIONS WHICH WERE MADE
15 UNDER SECTION 406-D(C) OF THE HOUSING FINANCE AGENCY LAW
16 AND WHICH ARE IN EFFECT ON THE EFFECTIVE DATE OF SECTION
17 35 OF THIS ACT SHALL REMAIN IN FULL FORCE AND EFFECT
18 UNTIL REVOKED, VACATED OR MODIFIED UNDER SECTION 1102-C.6
19 OF THE TAX REFORM CODE OF 1971. CONTRACTS, OBLIGATIONS
20 AND COLLECTIVE BARGAINING AGREEMENTS ENTERED INTO UNDER
21 SECTION 406-D(C) OF THE HOUSING FINANCE AGENCY LAW ARE
22 NOT AFFECTED NOR IMPAIRED BY THE REPEAL OF SECTION 406-
23 D(C) OF THE HOUSING FINANCE AGENCY LAW.

24 (II) ANY DIFFERENCE IN LANGUAGE BETWEEN SECTION
25 1102-C.6 OF THE TAX REFORM CODE OF 1971 AND SECTION 406-
26 D(C) OF THE HOUSING FINANCE AGENCY LAW IS NOT INTENDED TO
27 CHANGE OR AFFECT THE LEGISLATIVE INTENT, JUDICIAL
28 CONSTRUCTION OR ADMINISTRATION AND IMPLEMENTATION OF
29 SECTION 406-D(C) OF THE HOUSING FINANCE AGENCY LAW.

30 (2) (RESERVED).

1 SECTION 37. THE AMENDMENT OF SECTIONS 2931-C AND 2945-C OF
2 THE ACT SHALL APPLY TO TAXABLE YEARS BEGINNING ON OR AFTER
3 JANUARY 1, 2019.

4 SECTION 38. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

5 (1) THE FOLLOWING SHALL TAKE EFFECT IMMEDIATELY:

6 (I) THIS SECTION.

7 (II) THE AMENDMENT OR ADDITION OF SECTION 303(A) (3)
8 (VIII) AND (5).

9 (2) THE AMENDMENT OR ADDITION OF SECTIONS 1714-D(F) AND
10 (H), 1703-J(B) (1), (2) AND (5) AND (C) (1), (2), (2.1) AND
11 (3), 1704-J(A) (2), (4) AND (5), (B) (1) (I), (2), (3) AND (4)
12 AND (C) AND 1707-J(A) OF THE ACT SHALL TAKE EFFECT IN 60
13 DAYS.

14 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT JULY 1,
15 2019, OR IMMEDIATELY, WHICHEVER IS LATER.