

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 752 Session of 2015

INTRODUCED BY CHRISTIANA, TURZAI, SAYLOR, QUIGLEY, BARRAR, V. BROWN, DEASY, DRISCOLL, DUNBAR, GRELL, A. HARRIS, KAUFFMAN, KILLION, LAWRENCE, MAJOR, MCGINNIS, MILLARD, RAPP, READSHAW, TAYLOR, BLOOM, CUTLER, ZIMMERMAN, MARSICO, DIAMOND, MENTZER, KORTZ, GABLER, PICKETT, MACKENZIE, MURT, WARD, COX, VEREB, HELM, STAATS, HICKERNELL, GIBBONS, KNOWLES, GREINER, TRUITT, PHILLIPS-HILL, MUSTIO, HEFFLEY, WATSON, FARRY, BOYLE, RADER, MULLERY, REGAN, ORTITAY, SONNEY, EVERETT, BURNS AND MICCARELLI, MARCH 9, 2015

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, MAY 6, 2015

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 EDUCATIONAL TAX CREDITS, further providing for <--
11 TAX CREDITS AND FOR limitations. <--

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

14 ~~Section 1. Section 1706 F(a) of the act of March 4, 1971 <--~~
15 ~~(P.L.6, No.2), known as the Tax Reform Code of 1971, amended~~
16 ~~October 31, 2014 (P.L.2929, No.194), is amended to read:~~

17 SECTION 1. SECTIONS 1705-F(J) AND 1706-F(A) OF THE ACT OF <--
18 MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF

1 1971, AMENDED OCTOBER 31, 2014 (P.L.2929, NO.194), ARE AMENDED  
2 TO READ:  
3 SECTION 1705-F. TAX CREDITS.

4 \* \* \*

5 (J) REALLOCATION OF TAX CREDITS.--

6 (1) BEGINNING ON JANUARY 1 OF ANY FISCAL YEAR, IF ANY  
7 TAX CREDITS AUTHORIZED UNDER THIS ARTICLE FOR CONTRIBUTIONS  
8 TO ANY OF THE CATEGORIES OF SCHOLARSHIP ORGANIZATIONS,  
9 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN  
10 SCHOLARSHIP ORGANIZATIONS REMAIN UNAWARDED, SUCH UNAWARDED  
11 TAX CREDITS MAY BE REALLOCATED TO ANY OF THE CATEGORIES OF  
12 SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP  
13 ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS  
14 FOR WHICH ALL AVAILABLE TAX CREDITS HAVE BEEN AWARDED. THE  
15 DEPARTMENT SHALL, WITHIN TEN BUSINESS DAYS, INFORM EACH  
16 BUSINESS FIRM ON THE WAITING LIST MAINTAINED BY THE  
17 DEPARTMENT UNDER SUBSECTION (H) THAT TAX CREDITS REMAIN  
18 AVAILABLE UNDER ANOTHER CATEGORY FOR WHICH THE BUSINESS FIRM  
19 HAS NOT YET APPLIED. IF A BUSINESS FIRM NOTIFIED UNDER THIS  
20 PARAGRAPH ELECTS, THE DEPARTMENT SHALL REALLOCATE AVAILABLE  
21 TAX CREDITS FOR AWARD TO THE BUSINESS FIRM IN THE BUSINESS  
22 FIRM'S PREFERRED TAX CREDIT CATEGORY, NOTWITHSTANDING THE  
23 LIMITATIONS CONTAINED IN SECTION 1706-F(A). THE AMOUNT OF TAX  
24 CREDITS TO BE AWARDED TO A BUSINESS FIRM UNDER THIS PARAGRAPH  
25 SHALL NOT EXCEED THE AMOUNT OF TAX CREDITS AVAILABLE FOR  
26 REALLOCATION OR THE MAXIMUM AMOUNT OF TAX CREDITS FOR WHICH A  
27 BUSINESS FIRM IS ELIGIBLE UNDER SUBSECTIONS (A), (A.1), (C)  
28 AND (D). EACH BUSINESS FIRM SHALL HAVE TEN BUSINESS DAYS FROM  
29 THE DATE OF THE DEPARTMENT'S NOTICE TO ELECT A REALLOCATION  
30 OF TAX CREDITS UNDER THIS PARAGRAPH. THE DEPARTMENT SHALL

1 AWARD TAX CREDITS ON A FIRST-COME, FIRST-SERVED BASIS.

2 (2) AFTER THE DEPARTMENT HAS AWARDED TAX CREDITS UNDER  
3 PARAGRAPH (1), THE DEPARTMENT SHALL ACCEPT NEW APPLICATIONS  
4 FOR REALLOCATION OF TAX CREDITS FROM ANY OF THE CATEGORIES OF  
5 SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP  
6 ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS  
7 FOR WHICH TAX CREDITS REMAIN AVAILABLE TO THE APPLICANT'S  
8 PREFERRED CATEGORY OF SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY  
9 SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP  
10 ORGANIZATIONS FOR WHICH ALL AVAILABLE TAX CREDITS HAVE BEEN  
11 AWARDED, NOTWITHSTANDING ANY LIMITATIONS CONTAINED IN SECTION  
12 1706-F(A). THE AMOUNT OF TAX CREDITS TO BE AWARDED TO A  
13 BUSINESS FIRM UNDER THIS PARAGRAPH SHALL NOT EXCEED THE  
14 AMOUNT OF TAX CREDITS AVAILABLE FOR REALLOCATION OR THE  
15 MAXIMUM AMOUNT OF TAX CREDITS FOR WHICH A BUSINESS FIRM IS  
16 ELIGIBLE UNDER SUBSECTIONS (A), (A.1), (C) AND (D). THE  
17 DEPARTMENT SHALL AWARD TAX CREDITS ON A FIRST-COME, FIRST-  
18 SERVED BASIS.

19 (2.1) IN ANY FISCAL YEAR, THE FIRST \$10,000,000 IN TAX  
20 CREDITS AVAILABLE FOR REALLOCATION UNDER PARAGRAPHS (1) AND  
21 (2) SHALL BE SET ASIDE FOR CONTRIBUTIONS TO PRE-KINDERGARTEN  
22 SCHOLARSHIP ORGANIZATIONS. IF \$10,000,000 IN TAX CREDITS HAVE  
23 NOT BEEN AWARDED TO PRE-KINDERGARTEN SCHOLARSHIP  
24 ORGANIZATIONS UNDER PARAGRAPHS (1) AND (2) PRIOR TO MARCH 1  
25 OF ANY FISCAL YEAR, THE REMAINING TAX CREDITS AVAILABLE FOR  
26 REALLOCATION UNDER PARAGRAPHS (1) AND (2) SHALL BE MADE  
27 AVAILABLE FOR CONTRIBUTIONS TO ANY OF THE CATEGORIES OF  
28 SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP  
29 ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS.

30 (3) NO TAX CREDITS SHALL BE AWARDED UNDER THIS

1 SUBSECTION UNTIL THE DEPARTMENT HAS COMPLETED THE AWARD OF  
2 TAX CREDITS FOR APPLICATIONS MADE UNDER SUBSECTION (I).

3 (4) THE DEPARTMENT SHALL NOT REALLOCATE TAX CREDITS FROM  
4 ANY OF THE CATEGORIES OF SCHOLARSHIP ORGANIZATIONS,  
5 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN  
6 SCHOLARSHIP ORGANIZATIONS TO THE CATEGORY OF EDUCATIONAL  
7 IMPROVEMENT ORGANIZATIONS.

8 (5) SUBSECTIONS (B) AND (G) SHALL NOT APPLY TO AN  
9 APPLICATION FOR REALLOCATION OF TAX CREDITS UNDER THIS  
10 SUBSECTION.

11 Section 1706-F. Limitations.

12 (a) Amount.--

13 (1) The total aggregate amount of all tax credits  
14 approved for contributions from business firms to scholarship  
15 organizations, educational improvement organizations and pre-  
16 kindergarten scholarship organizations shall not exceed  
17 ~~[\$100,000,000]~~ \$170,000,000 in a fiscal year.

18 (i) No less than ~~[\$60,000,000]~~ \$102,000,000 of the  
19 total aggregate amount shall be used to provide tax  
20 credits for contributions from business firms to  
21 scholarship organizations.

22 (ii) No less than ~~[\$30,000,000]~~ \$51,000,000 of the  
23 total aggregate amount shall be used to provide tax  
24 credits for contributions from business firms to  
25 educational improvement organizations.

26 (iii) The total aggregate amount of all tax credits  
27 approved for contributions from business firms to pre-  
28 kindergarten scholarship organizations shall not exceed  
29 ~~[\$10,000,000]~~ \$17,000,000 in a fiscal year.

30 (2) The total aggregate amount of all tax credits

1 approved for contributions from business firms to opportunity  
2 scholarship organizations shall not exceed [\$50,000,000]  
3 \$80,000,000 in a fiscal year.

4 \* \* \*

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