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 THE GENERAL ASSEMBLY OF PENNSYLVANIA
 

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# HOUSE BILL

No. 1342 Session of  
2021

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INTRODUCED BY RADER, SCHMITT, ROTHMAN, GUENST, COOK, SCHLEGEL  
CULVER, NEILSON, ZIMMERMAN, ROWE, RYAN, R. MACKENZIE,  
R. BROWN, HAMM, OBERLANDER, JOZWIAK, FARRY, SILVIS AND WELBY,  
MAY 5, 2021

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SENATOR BROWNE, APPROPRIATIONS, IN SENATE, RE-REPORTED AS  
AMENDED, JULY 7, 2022

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## 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 ~~transfers not subject to tax.~~  
 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 EXCLUSIONS FROM TAX AND FOR LICENSES; IN  
 23 PERSONAL INCOME TAX, FURTHER PROVIDING FOR CLASSES OF INCOME  
 24 AND REPEALING PROVISIONS RELATING TO COVID-19 EMERGENCY  
 25 FINANCE AND TAX PROVISION; IN CORPORATE NET INCOME TAX,  
 26 FURTHER PROVIDING FOR DEFINITIONS AND FOR IMPOSITION OF TAX;  
 27 IN INSURANCE PREMIUMS TAX, FURTHER PROVIDING FOR IMPOSITION  
 28 OF TAX AND FOR CREDITS FOR ASSESSMENTS PAID; IN VEHICLE  
 29 RENTAL TAX, FURTHER PROVIDING FOR DEFINITIONS AND FOR VEHICLE  
 30 RENTAL TAX; IN RESEARCH AND DEVELOPMENT TAX CREDIT, FURTHER

1 PROVIDING FOR LIMITATION ON CREDITS; IN ENTERTAINMENT  
2 PRODUCTION TAX CREDIT, FURTHER PROVIDING FOR DEFINITIONS, FOR  
3 CREDIT FOR QUALIFIED FILM PRODUCTION EXPENSES, FOR  
4 LIMITATIONS, FOR REISSUANCE OF FILM PRODUCTION TAX CREDITS  
5 AND FOR LIMITATIONS; IN WATERFRONT DEVELOPMENT TAX CREDIT,  
6 FURTHER PROVIDING FOR LIMITATIONS; IN CITY REVITALIZATION AND  
7 IMPROVEMENT ZONES, FURTHER PROVIDING FOR REPORTS, FOR  
8 RESTRICTIONS AND FOR CONFIDENTIALITY; IN INNOVATE IN PA TAX  
9 CREDIT, FURTHER PROVIDING FOR DUTIES; IN NEIGHBORHOOD  
10 IMPROVEMENT ZONES, FURTHER PROVIDING FOR CONFIDENTIALITY; IN  
11 KEYSTONE OPPORTUNITY ZONES, KEYSTONE OPPORTUNITY EXPANSION  
12 ZONES AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONES, FURTHER  
13 PROVIDING FOR EXTENSION FOR NEW JOB CREATION OR NEW CAPITAL  
14 INVESTMENT AND FOR ADDITIONAL KEYSTONE OPPORTUNITY EXPANSION  
15 ZONES; PROVIDING FOR AIRPORT LAND DEVELOPMENT ZONES AND FOR  
16 PENNSYLVANIA CHILD AND DEPENDENT CARE ENHANCEMENT PROGRAM AND  
17 FOR TAX CREDIT; IN INHERITANCE TAX, FURTHER PROVIDING FOR  
18 TRANSFERS NOT SUBJECT TO TAX; IN PUBLIC TRANSPORTATION  
19 ASSISTANCE FUND, FURTHER PROVIDING FOR PUBLIC TRANSPORTATION  
20 ASSISTANCE FUND; IN TABLE GAME TAXES, PROVIDING FOR GENERAL  
21 FUND DEPOSIT; IN COMPUTER DATA CENTER EQUIPMENT INCENTIVE  
22 PROGRAM, FURTHER PROVIDING FOR DEFINITIONS, FOR SALES AND USE  
23 TAX EXEMPTION, FOR ELIGIBILITY REQUIREMENTS AND FOR  
24 REVOCATION OF CERTIFICATION; IN GENERAL PROVISIONS, PROVIDING  
25 FOR ALLOCATION OF TAX CREDITS; MAKING TRANSFERS; AND MAKING  
26 RELATED REPEALS.

27 The General Assembly of the Commonwealth of Pennsylvania  
28 hereby enacts as follows:

29 ~~Section 1. Section 2111 of the act of March 4, 1971 (P.L.6, <--~~  
30 ~~No.2), known as the Tax Reform Code of 1971, is amended by~~  
31 ~~adding a subsection to read:~~

32 ~~Section 2111. Transfers Not Subject to Tax. (a) The~~  
33 ~~transfers enumerated in this section are not subject to the tax~~  
34 ~~imposed by this article.~~

35 \* \* \*

36 ~~(u) The transfer of personal property, whether tangible or~~  
37 ~~intangible, that is the result of a decedent military member.~~

38 ~~(1) For purposes of this subsection, the term "decedent~~  
39 ~~military member" shall mean an individual who, while serving in~~  
40 ~~the armed forces, a reserve component or the National Guard of~~  
41 ~~the United States, died as a result of injury or illness~~  
42 ~~received while on active duty, including active duty for~~  
43 ~~training.~~

1 ~~(2) The term shall include both Federal and State active~~  
2 ~~duty as evidenced by official activation order.~~

3 ~~Section 2. The addition of section 2111(u) of the act shall~~  
4 ~~apply to inheritance tax imposed as to a decedent whose date of~~  
5 ~~death is after the effective date of this section.~~

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

7 SECTION 1. SECTION 201(N) AND (P) OF THE ACT OF MARCH 4, <--  
8 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, ARE  
9 AMENDED, SUBSECTION (B) (3.5) IS AMENDED BY ADDING A  
10 SUBPARAGRAPH, SUBSECTIONS (I), (K) AND (O) ARE AMENDED BY ADDING  
11 PARAGRAPHS AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS TO  
12 READ:

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

17 \* \* \*

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

19 \* \* \*

20 (3.5) \* \* \*

21 (III) FOR A PEER-TO-PEER CAR-SHARING PROGRAM MARKETPLACE  
22 FACILITATOR, THIS ACTIVITY INCLUDES ALL SALES, LEASES AND  
23 DELIVERIES OF TANGIBLE PERSONAL PROPERTY AND ALL SALES OF  
24 SERVICES BY THE MARKETPLACE SELLER WHOSE SALES ARE FACILITATED  
25 THROUGH THE PEER-TO-PEER CAR-SHARING PROGRAM.

26 \* \* \*

27 (I) "RESALE."

28 \* \* \*

29 (6) THE TERM DOES NOT INCLUDE THE PURCHASE PRICE OR REPAIR  
30 OF A SHARED VEHICLE BY A SHARED VEHICLE OWNER.

1 \* \* \*

2 (K) "SALE AT RETAIL."

3 \* \* \*

4 (20) CAR SHARING THROUGH A SHARED VEHICLE OWNER, PEER-TO-  
5 PEER CAR-SHARING PROGRAM MARKETPLACE FACILITATOR OR RENTAL  
6 COMPANY.

7 \* \* \*

8 (N) "TAXPAYER." ANY PERSON REQUIRED TO PAY OR COLLECT THE  
9 TAX IMPOSED BY THIS ARTICLE, INCLUDING A MARKETPLACE FACILITATOR  
10 [AND], A MARKETPLACE SELLER, A PEER-TO-PEER CAR-SHARING PROGRAM  
11 MARKETPLACE FACILITATOR AND A SHARED VEHICLE OWNER.

12 (O) "USE."

13 \* \* \*

14 (19) CAR SHARING THROUGH A SHARED VEHICLE OWNER, PEER-TO-  
15 PEER CAR-SHARING PROGRAM MARKETPLACE FACILITATOR OR RENTAL  
16 COMPANY.

17 (P) "VENDOR." ANY PERSON MAINTAINING A PLACE OF BUSINESS IN  
18 THIS COMMONWEALTH, SELLING OR LEASING TANGIBLE PERSONAL  
19 PROPERTY, OR RENDERING SERVICES, THE SALE OR USE OF WHICH IS  
20 SUBJECT TO THE TAX IMPOSED BY THIS ARTICLE, INCLUDING A  
21 MARKETPLACE FACILITATOR [AND A], MARKETPLACE SELLER, PEER-TO-  
22 PEER CAR-SHARING PROGRAM MARKETPLACE FACILITATOR OR SHARED  
23 VEHICLE OWNER, BUT NOT INCLUDING ANY EMPLOYEE WHO IN THE ORDINARY  
24 SCOPE OF EMPLOYMENT RENDERS SERVICES TO HIS EMPLOYER IN EXCHANGE  
25 FOR WAGES AND SALARIES.

26 \* \* \*

27 (MMM) "FLIGHT SIMULATOR." A DEVICE USED FOR THE TRAINING OR  
28 INSTRUCTION OF AN INDIVIDUAL ON A HELICOPTER AND SIMILAR  
29 ROTORCRAFT.

30 (NNN) "CAR-SHARING PROGRAM AGREEMENT." THE TERMS AND

1 CONDITIONS THAT GOVERN THE USE OF A SHARED VEHICLE THROUGH A  
2 PEER-TO-PEER CAR-SHARING PROGRAM.

3 (OOO) "PEER-TO-PEER CAR SHARING." THE AUTHORIZED USE OF A  
4 SHARED VEHICLE BY AN INDIVIDUAL OTHER THAN THE OWNER OF THE  
5 VEHICLE, THROUGH A PEER-TO-PEER CAR-SHARING PROGRAM.

6 (PPP) "PEER-TO-PEER CAR-SHARING PAYMENT." FULL  
7 CONSIDERATION PAID OR DELIVERED, OR PROMISED TO BE PAID OR  
8 DELIVERED, TO THE PEER-TO-PEER CAR-SHARING MARKETPLACE  
9 FACILITATOR UNDER A CAR-SHARING PROGRAM AGREEMENT, EXCLUDING  
10 CHARGES FOR LOCAL SALES OR USE TAX, STATE SALES OR USE TAX OR  
11 PUBLIC TRANSPORTATION ASSISTANCE FUND FEES.

12 (OOO) "PEER-TO-PEER CAR-SHARING PROGRAM." A BUSINESS  
13 PLATFORM THAT, THROUGH A PEER-TO-PEER CAR-SHARING MARKETPLACE,  
14 CONNECTS SHARED VEHICLE OWNERS WITH DRIVERS TO ENABLE THE  
15 SHARING OF VEHICLES FOR FINANCIAL CONSIDERATION.

16 (RRR) "PEER-TO-PEER CAR-SHARING PROGRAM MARKETPLACE." A  
17 FORUM ON WHICH A SHARED VEHICLE IS LISTED OR ADVERTISED FOR  
18 PEER-TO-PEER CAR SHARING.

19 (SSS) "PEER-TO-PEER CAR-SHARING PROGRAM MARKETPLACE  
20 FACILITATOR." A PERSON THAT FACILITATES PEER-TO-PEER CAR  
21 SHARING THROUGH A PEER-TO-PEER CAR-SHARING MARKETPLACE AND  
22 EITHER DIRECTLY OR INDIRECTLY, THROUGH AGREEMENTS OR  
23 ARRANGEMENTS WITH THIRD PARTIES, COLLECTS THE PEER-TO-PEER CAR-  
24 SHARING PAYMENT FROM THE PURCHASER AND TRANSMITS THE PAYMENT TO  
25 THE SHARED VEHICLE OWNER.

26 (TTT) "SHARED VEHICLE." A VEHICLE THAT IS AVAILABLE FOR  
27 SHARING, INCLUDING THROUGH A PEER-TO-PEER CAR-SHARING PROGRAM.

28 (UUU) "SHARED VEHICLE OWNER." THE REGISTERED OWNER, OR A  
29 PERSON DESIGNATED BY THE REGISTERED OWNER, OF A VEHICLE MADE  
30 AVAILABLE FOR SHARING, INCLUDING THROUGH A PEER-TO-PEER CAR-

1 SHARING PROGRAM.

2 SECTION 2. SECTION 204(67) AND (68) OF THE ACT, AMENDED JUNE  
3 30, 2021 (P.L.124, NO.25), ARE AMENDED TO READ:

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

6 \* \* \*

7 (67) THE SALE AT RETAIL OR USE OF REPAIR OR REPLACEMENT  
8 PARTS OR SOFTWARE OR SOFTWARE UPGRADES, INCLUDING THE  
9 INSTALLATION OF THOSE PARTS, SOFTWARE OR SOFTWARE UPGRADES,  
10 EXCLUSIVELY FOR USE IN HELICOPTERS AND SIMILAR ROTORCRAFT AND  
11 FLIGHT SIMULATORS OR IN OVERHAULING OR REBUILDING OF HELICOPTERS  
12 AND SIMILAR ROTORCRAFT AND FLIGHT SIMULATORS OR HELICOPTERS AND  
13 SIMILAR ROTORCRAFT AND FLIGHT SIMULATOR COMPONENTS. [FOR THE  
14 PURPOSES OF THIS CLAUSE, THE TERM "FLIGHT SIMULATOR" SHALL MEAN  
15 A DEVICE USED FOR THE TRAINING OR INSTRUCTION OF AN INDIVIDUAL  
16 ON A HELICOPTER AND SIMILAR ROTORCRAFT.]

17 (68) THE SALE AT RETAIL OR USE OR LEASE OF HELICOPTERS AND  
18 SIMILAR ROTORCRAFT, AND FLIGHT SIMULATORS, AS WELL AS TRAINING  
19 MATERIALS, OPERATIONAL DOCUMENTS AND PUBLICATIONS RELATING TO  
20 THE USE OR OPERATION OF HELICOPTERS AND SIMILAR ROTORCRAFT AND  
21 FLIGHT SIMULATORS. [FOR THE PURPOSES OF THIS CLAUSE, THE TERM  
22 "FLIGHT SIMULATOR" SHALL MEAN A DEVICE USED FOR THE TRAINING OR  
23 INSTRUCTION OF AN INDIVIDUAL ON A HELICOPTER AND SIMILAR  
24 ROTORCRAFT.]

25 SECTION 3. SECTION 208(A) OF THE ACT IS AMENDED TO READ:

26 SECTION 208. LICENSES.--(A) EVERY PERSON MAINTAINING A  
27 PLACE OF BUSINESS IN THIS COMMONWEALTH, WITH THE EXCEPTION OF A  
28 MARKETPLACE SELLER WHO MAKES NO SALES OUTSIDE A FORUM FOR WHICH  
29 A MARKETPLACE FACILITATOR IS REQUIRED TO COLLECT SALES TAX ON  
30 THE SELLER'S BEHALF AND A SHARED VEHICLE OWNER WHO MAKES NO

1 VEHICLE AVAILABLE FOR SHARING OUTSIDE A FORUM FOR WHICH A PEER-  
2 TO-PEER CAR-SHARING PROGRAM MARKETPLACE FACILITATOR IS REQUIRED  
3 TO COLLECT SALES TAX ON BEHALF OF THE SHARED VEHICLE OWNER,  
4 SELLING OR LEASING SERVICES OR TANGIBLE PERSONAL PROPERTY, THE  
5 SALE OR USE OF WHICH IS SUBJECT TO TAX AND WHO HAS NOT HITHERTO  
6 OBTAINED A LICENSE FROM THE DEPARTMENT, SHALL, PRIOR TO THE  
7 BEGINNING OF BUSINESS THEREAFTER, MAKE APPLICATION TO THE  
8 DEPARTMENT, ON A FORM PRESCRIBED BY THE DEPARTMENT, FOR A  
9 LICENSE. IF SUCH PERSON MAINTAINS MORE THAN ONE PLACE OF  
10 BUSINESS IN THIS COMMONWEALTH, THE LICENSE SHALL BE ISSUED FOR  
11 THE PRINCIPAL PLACE OF BUSINESS IN THIS COMMONWEALTH.

12 \* \* \*

13 SECTION 4. SECTION 303(A.3) AND (A.5) OF THE ACT ARE AMENDED  
14 AND SUBSECTION (A.7) IS AMENDED BY ADDING PARAGRAPHS TO READ:

15 SECTION 303. CLASSES OF INCOME.--\* \* \*

16 (A.3) THE COST OF PROPERTY COMMONLY REFERRED TO AS SECTION  
17 179 PROPERTY MAY BE TREATED AS A DEDUCTIBLE EXPENSE ONLY TO THE  
18 EXTENT ALLOWABLE UNDER THE VERSION OF SECTION 179 OF THE  
19 INTERNAL REVENUE CODE IN EFFECT AT THE TIME THE PROPERTY IS  
20 PLACED IN SERVICE [OR UNDER SECTION 179 OF THE INTERNAL REVENUE  
21 CODE OF 1986 (26 U.S.C. § 179), WHICHEVER IS EARLIER]. THE BASIS  
22 OF SECTION 179 PROPERTY SHALL BE REDUCED, BUT NOT BELOW ZERO,  
23 FOR COSTS TREATED AS A DEDUCTIBLE EXPENSE. THE AMOUNT OF THE  
24 REDUCTION SHALL BE THE AMOUNT DEDUCTED ON A RETURN AND NOT  
25 DISALLOWED, REGARDLESS OF WHETHER THE DEDUCTION RESULTS IN A  
26 REDUCTION OF INCOME.

27 \* \* \*

28 (A.5) THE REQUIREMENTS OF [SECTION] SECTIONS 1031 AND 1035  
29 OF THE INTERNAL REVENUE CODE OF 1986 (26 U.S.C. [§ 1035] §§ 1031  
30 AND 1035), AS AMENDED, SHALL BE APPLICABLE.

1 \* \* \*

2 (A.7) THE FOLLOWING APPLY:

3 \* \* \*

4 (5) AS FOLLOWS:

5 (I) THE CLASSES OF INCOME UNDER THIS SECTION SHALL NOT  
6 INCLUDE ANY AMOUNT WHICH IS EXCLUDED FROM FEDERAL GROSS INCOME  
7 UNDER SECTIONS 276 AND 278(A) OF THE COVID-RELATED TAX RELIEF  
8 ACT OF 2020, ENACTED AS SUBTITLE B OF TITLE II OF DIVISION N OF  
9 THE CONSOLIDATED APPROPRIATIONS ACT, 2021 (PUBLIC LAW 116-260,  
10 134 STAT. 1182).

11 (II) NO DEDUCTION MAY BE DISALLOWED FROM AN EXPENSE THAT IS  
12 OTHERWISE DEDUCTIBLE IF THE PAYMENT OF THE EXPENSE RESULTS IN  
13 FORGIVENESS OF A COVERED LOAN UNDER SUBPARAGRAPH (I).

14 (6) THE CLASSES OF INCOME UNDER THIS SECTION SHALL NOT  
15 INCLUDE A PAYMENT RECEIVED BY AN INDIVIDUAL FROM THE UNITED  
16 STATES UNDER SECTION 2201 OF THE CORONAVIRUS AID, RELIEF, AND  
17 ECONOMIC SECURITY ACT (PUBLIC LAW 116-136, 134 STAT. 281) OR  
18 SECTIONS 272 AND 273 OF THE CONSOLIDATED APPROPRIATIONS ACT,  
19 2021.

20 \* \* \*

21 SECTION 5. SECTION 330.2 OF THE ACT IS REPEALED:

22 [SECTION 330.2. COVID-19 EMERGENCY FINANCE AND TAX  
23 PROVISION.--(A) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT  
24 THERE ARE CIRCUMSTANCES UNDER WHICH IT IS IMPOSSIBLE TO  
25 EFFECTIVELY COMPLY WITH LAW RELATING TO STATE FINANCE OR STATE  
26 TAX, AND DURING SUCH CIRCUMSTANCES, IT IS NECESSARY FOR  
27 COMMONWEALTH AGENCIES TO EXERCISE POWERS AND DUTIES PROVIDED  
28 UNDER THIS SECTION.]

29 (D) (1) THIS SUBSECTION SHALL PROVIDE PERMANENT AUTHORITY  
30 TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO DEAL



1 WITH LOCAL TAXATION. NOTWITHSTANDING THE LOCAL TAX ENABLING ACT,  
2 THE FILING DEADLINE OF A FINAL RETURN UNDER CHAPTER 5 OF THE  
3 LOCAL TAX ENABLING ACT AND RELATED STATUTORY PROVISIONS,  
4 ORDINANCES AND RESOLUTIONS SHALL COINCIDE WITH THE FILING  
5 DEADLINE FOR A TAX RETURN UNDER SECTION 330.

6 (2) THIS SUBSECTION SHALL NOT EXPIRE.]

7 SECTION 6. SECTION 401(3)2(A)(17) OF THE ACT IS AMENDED AND  
8 THE SECTION IS AMENDED BY ADDING A PHRASE TO READ:

9 SECTION 401. DEFINITIONS.--THE FOLLOWING WORDS, TERMS, AND  
10 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANING  
11 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT  
12 CLEARLY INDICATES A DIFFERENT MEANING:

13 \* \* \*

14 (3) "TAXABLE INCOME." \* \* \*

15 2. IN CASE THE ENTIRE BUSINESS OF ANY CORPORATION, OTHER  
16 THAN A CORPORATION ENGAGED IN DOING BUSINESS AS A REGULATED  
17 INVESTMENT COMPANY AS DEFINED BY THE INTERNAL REVENUE CODE OF  
18 1986, IS NOT TRANSACTED WITHIN THIS COMMONWEALTH, THE TAX  
19 IMPOSED BY THIS ARTICLE SHALL BE BASED UPON SUCH PORTION OF THE  
20 TAXABLE INCOME OF SUCH CORPORATION FOR THE FISCAL OR CALENDAR  
21 YEAR, AS DEFINED IN SUBCLAUSE 1 HEREOF, AND MAY BE DETERMINED AS  
22 FOLLOWS:

23 (A) DIVISION OF INCOME.

24 \* \* \*

25 (17) SALES, OTHER THAN SALES UNDER PARAGRAPHS (16) AND  
26 (16.1), ARE IN THIS STATE [IF:

27 (A) THE INCOME-PRODUCING ACTIVITY IS PERFORMED IN THIS  
28 STATE; OR

29 (B) THE INCOME-PRODUCING ACTIVITY IS PERFORMED BOTH IN AND  
30 OUTSIDE THIS STATE AND A GREATER PROPORTION OF THE INCOME-

1 PRODUCING ACTIVITY IS PERFORMED IN THIS STATE THAN IN ANY OTHER  
2 STATE, BASED ON COSTS OF PERFORMANCE.] AS FOLLOWS:

3 (C) GROSS RECEIPTS FROM THE LEASE OR LICENSE OF INTANGIBLE  
4 PROPERTY, INCLUDING A SALE OR EXCHANGE OF PROPERTY WHERE THE  
5 RECEIPTS FROM THE SALE OR EXCHANGE DERIVE FROM PAYMENTS THAT ARE  
6 CONTINGENT ON THE PRODUCTIVITY, USE OR DISPOSITION OF THE  
7 PROPERTY, IF AND TO THE EXTENT THE PROPERTY IS USED IN THIS  
8 STATE.

9 (D) GROSS RECEIPTS FROM THE SALE OF INTANGIBLE PROPERTY  
10 WHERE THE PROPERTY SOLD IS A CONTRACT RIGHT, GOVERNMENT LICENSE  
11 OR SIMILAR PROPERTY THAT AUTHORIZES THE HOLDER TO CONDUCT A  
12 BUSINESS ACTIVITY IN A SPECIFIC GEOGRAPHIC AREA, IF AND TO THE  
13 EXTENT THE PROPERTY IS USED IN OR OTHERWISE ASSOCIATED WITH THIS  
14 STATE.

15 (E) GROSS RECEIPTS FROM THE SALE, REDEMPTION, MATURITY OR  
16 EXCHANGE OF SECURITIES, HELD BY THE TAXPAYER PRIMARILY FOR SALE  
17 TO CUSTOMERS IN THE ORDINARY COURSE OF ITS TRADE OR BUSINESS, IF  
18 THE CUSTOMERS ARE IN THIS STATE.

19 (F) GROSS RECEIPTS RECEIVED BY A CORPORATION THAT REGULARLY  
20 LENDS FUNDS TO UNAFFILIATED ENTITIES OR TO INDIVIDUALS FROM  
21 INTEREST, FEES AND PENALTIES IMPOSED IN CONNECTION WITH LOANS  
22 SECURED BY REAL PROPERTY AS FOLLOWS:

23 (I) THE FOLLOWING SHALL APPLY TO A CALCULATION UNDER THIS  
24 SUBPARAGRAPH:

25 (I) THE NUMERATOR OF THE SALES FACTOR SHALL INCLUDE  
26 INTEREST, FEES AND PENALTIES IMPOSED IN CONNECTION WITH LOANS  
27 SECURED BY REAL PROPERTY IF THE PROPERTY IS LOCATED WITHIN THIS  
28 STATE.

29 (II) IF THE REAL PROPERTY UNDER THIS SUBPARAGRAPH IS LOCATED  
30 BOTH WITHIN THIS STATE AND ONE OR MORE OTHER STATES, THE GROSS

1 RECEIPTS UNDER THIS SUBPARAGRAPH SHALL BE INCLUDED IN THE  
2 NUMERATOR OF THE SALES FACTOR IF MORE THAN FIFTY PER CENT OF THE  
3 FAIR MARKET VALUE OF THE REAL PROPERTY IS LOCATED WITHIN THIS  
4 STATE.

5 (III) IF MORE THAN FIFTY PER CENT OF THE FAIR MARKET VALUE  
6 OF REAL PROPERTY UNDER THIS SUBPARAGRAPH IS NOT LOCATED WITHIN  
7 ANY SINGLE STATE, THE GROSS RECEIPTS UNDER THIS SUBPARAGRAPH  
8 SHALL BE INCLUDED IN THE NUMERATOR OF THE SALES FACTOR IF THE  
9 BORROWER IS LOCATED IN THIS STATE.

10 (II) THE DETERMINATION OF WHETHER REAL PROPERTY SECURING A  
11 LOAN IS LOCATED WITHIN THIS STATE SHALL BE MADE AS OF THE TIME  
12 THE ORIGINAL AGREEMENT WAS MADE, AND ALL SUBSEQUENT  
13 SUBSTITUTIONS OF COLLATERAL SHALL BE DISREGARDED.

14 (G) GROSS RECEIPTS RECEIVED BY A CORPORATION THAT REGULARLY  
15 LENDS FUNDS TO UNAFFILIATED ENTITIES OR TO INDIVIDUALS FROM  
16 INTEREST, FEES AND PENALTIES IMPOSED IN CONNECTION WITH LOANS  
17 RELATED TO THE SALE OF TANGIBLE PERSONAL PROPERTY. THE FOLLOWING  
18 SHALL APPLY TO A CALCULATION UNDER THIS SUBPARAGRAPH:

19 (I) EXCEPT AS PROVIDED UNDER UNIT (II), THE NUMERATOR OF THE  
20 SALES FACTOR SHALL INCLUDE GROSS RECEIPTS RECEIVED FROM  
21 INTEREST, FEES AND PENALTIES IMPOSED IN CONNECTION WITH LOANS  
22 RELATED TO THE SALE OF TANGIBLE PERSONAL PROPERTY IF THE  
23 PROPERTY IS DELIVERED OR SHIPPED TO A PURCHASER IN THIS STATE.

24 (II) THE FOLLOWING SHALL APPLY:

25 (I) GROSS RECEIPTS RECEIVED BY A CORPORATION THAT REGULARLY  
26 LENDS FUNDS TO UNAFFILIATED ENTITIES OR TO INDIVIDUALS FROM  
27 INTEREST, FEES AND PENALTIES IMPOSED IN CONNECTION WITH LOANS  
28 RELATED TO THE SALE OF TRANSPORTATION PROPERTY SHALL BE INCLUDED  
29 IN THE NUMERATOR OF THE SALES FACTOR TO THE EXTENT THAT THE  
30 PROPERTY IS USED IN THIS STATE.

1       (II) THE EXTENT AN AIRCRAFT SHALL BE DEEMED TO BE USED IN  
2 THIS STATE AND THE AMOUNT OF GROSS RECEIPTS THAT SHALL BE  
3 INCLUDED IN THE NUMERATOR OF THE SALES FACTOR SHALL BE  
4 DETERMINED BY MULTIPLYING ALL THE GROSS RECEIPTS FROM THE  
5 INTEREST, FEES AND PENALTIES IMPOSED IN CONNECTION WITH LOANS  
6 RELATED TO THE SALE OF THE AIRCRAFT BY A FRACTION, THE NUMERATOR  
7 OF WHICH IS THE NUMBER OF LANDINGS OF THE AIRCRAFT IN THIS STATE  
8 AND THE DENOMINATOR OF WHICH IS THE TOTAL NUMBER OF LANDINGS OF  
9 THE AIRCRAFT.

10       (III) A MOTOR VEHICLE SHALL BE DEEMED TO BE USED WHOLLY IN  
11 THE STATE IN WHICH IT IS REGISTERED.

12       (IV) IF THE EXTENT OF THE USE OF TRANSPORTATION PROPERTY  
13 WITHIN THIS STATE CANNOT BE DETERMINED, THE PROPERTY SHALL BE  
14 DEEMED TO BE USED WHOLLY IN THE STATE IN WHICH THE PROPERTY WAS  
15 DELIVERED OR SHIPPED TO THE PURCHASER.

16       (H) GROSS RECEIPTS RECEIVED BY A CORPORATION THAT REGULARLY  
17 LENDS FUNDS TO UNAFFILIATED ENTITIES OR TO INDIVIDUALS FROM  
18 INTEREST, FEES AND PENALTIES IMPOSED IN CONNECTION WITH LOANS  
19 NOT DESCRIBED IN SUBPARAGRAPH (F) OR (G), IF THE BORROWER IS  
20 LOCATED IN THIS STATE.

21       (I) GROSS RECEIPTS RECEIVED FROM INTEREST, FEES AND  
22 PENALTIES IN THE NATURE OF INTEREST FROM CREDIT CARD RECEIVABLES  
23 AND GROSS RECEIPTS FROM FEES CHARGED TO CARDHOLDERS, SUCH AS  
24 ANNUAL FEES, IF THE BILLING ADDRESS OF THE CARDHOLDER IS IN THIS  
25 STATE.

26       (J) GROSS RECEIPTS RECEIVED FROM INTEREST, NOT OTHERWISE  
27 DESCRIBED IN THIS PARAGRAPH, SHALL BE INCLUDED IN THE NUMERATOR  
28 OF THE SALES FACTOR IF THE LENDER'S COMMERCIAL DOMICILE IS IN  
29 THIS STATE.

30       (K) GROSS RECEIPTS RECEIVED FROM INTANGIBLE PROPERTY, NOT

1 OTHERWISE DESCRIBED IN THIS PARAGRAPH, SHALL BE EXCLUDED FROM  
2 THE NUMERATOR AND THE DENOMINATOR OF THE SALES FACTOR.

3 (L) THE DEPARTMENT SHALL PROMULGATE THE RULES AND  
4 REGULATIONS NECESSARY TO IMPLEMENT THIS PARAGRAPH.

5 \* \* \*

6 (11) "UNAFFILIATED ENTITY." ANY ENTITY THAT IS NOT AN  
7 AFFILIATED ENTITY AS DEFINED UNDER SECTION 401(10).

8 SECTION 7. SECTIONS 402, 902, 902.1(D), 1601-A, 1602-A AND  
9 1709-B(A) OF THE ACT ARE AMENDED TO READ:

10 SECTION 402. IMPOSITION OF TAX.--(A) A CORPORATION SHALL BE  
11 SUBJECT TO AND SHALL PAY AN EXCISE TAX FOR EXERCISING, WHETHER  
12 IN ITS OWN NAME OR THROUGH ANY PERSON, ASSOCIATION, BUSINESS  
13 TRUST, CORPORATION, JOINT VENTURE, LIMITED LIABILITY COMPANY,  
14 LIMITED PARTNERSHIP, PARTNERSHIP OR OTHER ENTITY, ANY OF THE  
15 FOLLOWING PRIVILEGES:

16 (1) DOING BUSINESS IN THIS COMMONWEALTH.

17 (2) CARRYING ON ACTIVITIES IN THIS COMMONWEALTH, INCLUDING  
18 SOLICITATION WHICH IS NOT PROTECTED ACTIVITY UNDER THE ACT OF  
19 SEPTEMBER 14, 1959 (PUBLIC LAW 86-272, 15 U.S.C. § 381 ET SEQ.).

20 (3) HAVING CAPITAL OR PROPERTY EMPLOYED OR USED IN THIS  
21 COMMONWEALTH.

22 (4) OWNING PROPERTY IN THIS COMMONWEALTH.

23 (5) (I) HAVING SUBSTANTIAL NEXUS IN THIS COMMONWEALTH.

24 SUBSTANTIAL NEXUS IN THIS COMMONWEALTH MEANS A DIRECT OR  
25 INDIRECT BUSINESS ACTIVITY THAT IS SUFFICIENT TO GRANT THE  
26 COMMONWEALTH AUTHORITY UNDER THE CONSTITUTION OF THE UNITED  
27 STATES TO IMPOSE TAX UNDER THIS ARTICLE AND FOR WHICH A BASIS  
28 EXISTS UNDER SECTION 401 TO APPORTION OR ALLOCATE THE  
29 CORPORATION'S INCOME TO THIS COMMONWEALTH.

30 (II) FOR PURPOSES OF THIS SECTION, BUSINESS ACTIVITY

1 INCLUDES, BUT IS NOT LIMITED TO:

2 (A) THE LEASING OR LICENSING OF INTANGIBLE PROPERTY THAT IS  
3 UTILIZED IN THIS COMMONWEALTH;

4 (B) REGULARLY ENGAGING IN TRANSACTIONS WITH CUSTOMERS IN  
5 THIS COMMONWEALTH INVOLVING INTANGIBLE PROPERTY, INCLUDING LOANS  
6 MADE BY A CORPORATION THAT REGULARLY LENDS FUNDS TO UNAFFILIATED  
7 ENTITIES OR TO INDIVIDUALS; OR

8 (C) SALES OF INTANGIBLE PROPERTY THAT WAS UTILIZED BY THE  
9 CORPORATION WITHIN THIS COMMONWEALTH.

10 (III) THERE SHALL BE A REBUTTABLE PRESUMPTION THAT A  
11 CORPORATION WITH \$500,000 OR MORE OF SALES SOURCED IN THE  
12 CURRENT TAX YEAR TO THIS COMMONWEALTH UNDER SECTION 401 HAS  
13 SUBSTANTIAL NEXUS IN THIS COMMONWEALTH WITHOUT REGARD TO  
14 PHYSICAL PRESENCE IN THIS COMMONWEALTH.

15 (6) PARAGRAPH (5) SHALL NOT APPLY TO AN AFFILIATED ENTITY  
16 DOMICILED IN A FOREIGN NATION WHICH HAS IN FORCE A COMPREHENSIVE  
17 INCOME TAX TREATY WITH THE UNITED STATES PROVIDING FOR THE  
18 ALLOCATION OF ALL CATEGORIES OF INCOME SUBJECT TO TAXATION, OR  
19 THE WITHHOLDING OF TAX, ON ROYALTIES, LICENSES, FEES AND  
20 INTEREST FOR THE PREVENTION OF DOUBLE TAXATION OF THE RESPECTIVE  
21 NATIONS' RESIDENTS AND THE SHARING OF INFORMATION.

22 (B) THE ANNUAL RATE OF TAX ON CORPORATE NET INCOME IMPOSED  
23 BY SUBSECTION (A) FOR TAXABLE YEARS BEGINNING FOR THE CALENDAR  
24 YEAR OR FISCAL YEAR ON OR AFTER THE DATES SET FORTH SHALL BE AS  
25 FOLLOWS:

TAXABLE YEAR	TAX RATE
JANUARY 1, 1995, [AND	
EACH TAXABLE YEAR	
THEREAFTER	9.99%]
THROUGH DECEMBER	

1	<u>31, 2022</u>	<u>9.99%</u>
2	<u>JANUARY 1, 2023,</u>	
3	<u>THROUGH DECEMBER</u>	
4	<u>31, 2023</u>	<u>8.99%</u>
5	<u>JANUARY 1, 2024,</u>	
6	<u>THROUGH DECEMBER</u>	
7	<u>31, 2024</u>	<u>8.49%</u>
8	<u>JANUARY 1, 2025,</u>	
9	<u>THROUGH DECEMBER</u>	
10	<u>31, 2025</u>	<u>7.99%</u>
11	<u>JANUARY 1, 2026,</u>	
12	<u>THROUGH DECEMBER</u>	
13	<u>31, 2026</u>	<u>7.49%</u>
14	<u>JANUARY 1, 2027,</u>	
15	<u>THROUGH DECEMBER</u>	
16	<u>31, 2027</u>	<u>6.99%</u>
17	<u>JANUARY 1, 2028,</u>	
18	<u>THROUGH DECEMBER</u>	
19	<u>31, 2028</u>	<u>6.49%</u>
20	<u>JANUARY 1, 2029,</u>	
21	<u>THROUGH DECEMBER</u>	
22	<u>31, 2029</u>	<u>5.99%</u>
23	<u>JANUARY 1, 2030,</u>	
24	<u>THROUGH DECEMBER</u>	
25	<u>31, 2030</u>	<u>5.49%</u>
26	<u>JANUARY 1, 2031, AND</u>	
27	<u>EACH TAXABLE YEAR</u>	
28	<u>THEREAFTER</u>	<u>4.99%</u>

29 (C) AN ENTITY SUBJECT TO TAXATION UNDER ARTICLE VII, VIII,  
30 IX OR XV SHALL NOT BE SUBJECT TO THE TAX IMPOSED BY THIS

1 ARTICLE.

2 SECTION 902. (A) IMPOSITION OF TAX.--EVERY INSURANCE  
3 COMPANY, AS HEREIN DEFINED, TRANSACTING BUSINESS IN THE  
4 COMMONWEALTH OF PENNSYLVANIA, SHALL PAY TO THE DEPARTMENT, A TAX  
5 AT THE RATE OF TWO PER CENT OF THE GROSS PREMIUMS RECEIVED FROM  
6 BUSINESS DONE WITHIN THIS COMMONWEALTH DURING EACH CALENDAR  
7 YEAR. [ , EXCEPT THAT ANY INSURANCE COMPANY WHICH WAS NOT SUBJECT  
8 TO THIS TAX PRIOR TO 1971 SHALL BE TAXED AT THE RATE OF ONE PER  
9 CENT FOR THE YEAR 1971 AND THEREAFTER AT THE RATE OF TWO PER  
10 CENT. ]

11 (B) DISPOSITION OF TAXES.-- [THE TAXES PAID BY FOREIGN FIRE  
12 INSURANCE COMPANIES UNDER THIS ARTICLE SHALL CONTINUE TO BE  
13 DISTRIBUTED AND USED FOR FIREMEN'S RELIEF PENSION OR RETIREMENT  
14 PURPOSES, AS PROVIDED BY SECTION TWO OF THE ACT, APPROVED THE  
15 TWENTY-EIGHTH DAY OF JUNE, ONE THOUSAND EIGHT HUNDRED NINETY-  
16 FIVE (PAMPHLET LAWS 408), AS AMENDED; AND THE TAXES PAID BY  
17 FOREIGN CASUALTY INSURANCE COMPANIES UNDER THIS ARTICLE SHALL  
18 CONTINUE TO BE DISTRIBUTED AND USED FOR POLICE PENSION,  
19 RETIREMENT OR DISABILITY PURPOSES AS PROVIDED BY THE ACT,  
20 APPROVED THE TWELFTH DAY OF MAY, ONE THOUSAND NINE HUNDRED  
21 FORTY-THREE (PAMPHLET LAWS 259), AS AMENDED.

22 (C) OTHER TAXES.--ALL OTHER TAXES RECEIVED UNDER THIS  
23 ARTICLE SHALL BE CREDITED TO THE GENERAL FUND FOR GENERAL  
24 REVENUE PURPOSES.] THE TOTAL OF THE MONEY RECEIVED FROM THE  
25 FOLLOWING TAXES AND CHARGES SHALL BE DEPOSITED INTO THE GENERAL  
26 FUND:

27 (1) THE TAX IMPOSED BY SUBSECTION (A).

28 (2) THE RETALIATORY CHARGE IMPOSED BY SECTION 212 OF THE ACT  
29 OF MAY 17, 1921 (P.L.789, NO.285), KNOWN AS "THE INSURANCE  
30 DEPARTMENT ACT OF 1921."



1 (3) THE SURPLUS LINES TAX IMPOSED BY SECTION 1621 OF THE ACT  
2 OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS "THE INSURANCE  
3 COMPANY LAW OF 1921."

4 (4) THE TAX ON INDEPENDENTLY PROCURED INSURANCE IMPOSED BY  
5 SECTION 1622 OF "THE INSURANCE COMPANY LAW OF 1921."

6 (5) THE MARINE INSURANCE TAX IMPOSED BY SECTION 2 OF THE ACT  
7 OF MAY 13, 1927 (P.L.998, NO.486), ENTITLED "AN ACT IMPOSING A  
8 TAX FOR STATE PURPOSES ON MARINE INSURANCE UNDERWRITING PROFITS,  
9 AND PROVIDING FOR THE COLLECTION OF SUCH TAX."

10 (6) THE TAX ON CONTRACTS WITH UNAUTHORIZED COMPANIES IMPOSED  
11 BY SECTION 1 OF THE ACT OF JULY 6, 1917 (P.L.723, NO.262),  
12 ENTITLED "AN ACT IMPOSING A TAX ON PREMIUMS OF INSURANCE AND  
13 REINSURANCE IN FOREIGN INSURANCE COMPANIES AND ASSOCIATIONS NOT  
14 REGISTERED IN THIS COMMONWEALTH; PROVIDING THE METHOD OF  
15 COLLECTION OF SUCH TAX, AND IMPOSING PENALTIES."

16 (B.1) THE FOLLOWING TRANSFERS WILL OCCUR EACH FISCAL YEAR:

17 (1) FIRE INSURANCE TAX FUND:

18 (I) ON OR BEFORE JUNE 30, 2023, AND ON OR BEFORE EACH JUNE  
19 30 THEREAFTER, THE GREATER OF EIGHTY-FIVE MILLION DOLLARS  
20 (\$85,000,000) OR EIGHT AND ONE-HALF PER CENT OF THE TOTAL TAXES  
21 AND CHARGES UNDER SUBSECTION (B) RECEIVED DURING THE CURRENT  
22 FISCAL YEAR SHALL BE TRANSFERRED TO THE FIRE INSURANCE TAX FUND.

23 (II) ON OR BEFORE JULY 15, 2023, AND ON OR BEFORE EACH JULY  
24 15 THEREAFTER, IF TAXES OR CHARGES ARE DEPOSITED AFTER THE  
25 TRANSFER UNDER SUBPARAGRAPH (I) AND BEFORE JULY 1, 2023, AND  
26 EACH JULY 1 THEREAFTER, AN ADDITIONAL TRANSFER SHALL OCCUR IF  
27 EIGHT AND ONE-HALF PER CENT OF TOTAL COLLECTIONS UNDER  
28 SUBSECTION (B) FOR THE PRIOR FISCAL YEAR IS GREATER THAN EIGHTY-  
29 FIVE MILLION DOLLARS (\$85,000,000). THE CALCULATION FOR THE  
30 ADDITIONAL TRANSFER SHALL EQUAL EIGHT AND ONE-HALF PER CENT OF

1 THE TOTAL TAXES AND CHARGES UNDER SUBSECTION (B) MINUS THE  
2 TRANSFER AMOUNT UNDER SUBPARAGRAPH (I).

3 (III) THE TRANSFERS UNDER SUBPARAGRAPHS (I) AND (II) SHALL  
4 BE USED FOR FIREMEN'S RELIEF PENSION OR RETIREMENT PURPOSES, AS  
5 PROVIDED BY SECTION 706(B) OF THE ACT OF DECEMBER 18, 1984  
6 (P.L.1005, NO.205), KNOWN AS THE "MUNICIPAL PENSION PLAN FUNDING  
7 STANDARD AND RECOVERY ACT."

8 (2) MUNICIPAL PENSION AID FUND:

9 (I) ON OR BEFORE JUNE 30, 2023, AND ON OR BEFORE EACH JUNE  
10 30 THEREAFTER, THE GREATER OF THREE HUNDRED FORTY-FIVE MILLION  
11 DOLLARS (\$345,000,000) OR THIRTY-EIGHT PER CENT OF THE TOTAL  
12 TAXES AND CHARGES UNDER SUBSECTION (B) RECEIVED DURING THE  
13 CURRENT FISCAL YEAR SHALL BE TRANSFERRED TO THE MUNICIPAL  
14 PENSION AID FUND.

15 (II) ON OR BEFORE JULY 15, 2023, AND ON OR BEFORE EACH JULY  
16 15 THEREAFTER, IF TAXES OR CHARGES ARE DEPOSITED AFTER THE  
17 TRANSFER UNDER SUBPARAGRAPH (I) AND BEFORE JULY 1, 2023, AND  
18 EACH JULY 1 THEREAFTER, AN ADDITIONAL TRANSFER SHALL OCCUR IF  
19 THIRTY-EIGHT PER CENT OF TOTAL COLLECTIONS UNDER SUBSECTION (B)  
20 FOR THE PRIOR FISCAL YEAR IS GREATER THAN THREE HUNDRED FORTY-  
21 FIVE MILLION DOLLARS (\$345,000,000). THE CALCULATION FOR THAT  
22 ADDITIONAL TRANSFER SHALL EQUAL THIRTY-EIGHT PER CENT OF THE  
23 TOTAL TAXES AND CHARGES UNDER SUBSECTION (B) MINUS THE TRANSFER  
24 AMOUNT UNDER SUBPARAGRAPH (I).

25 (III) THE TRANSFERS UNDER SUBPARAGRAPHS (I) AND (II) SHALL  
26 BE USED FOR POLICE PENSION, RETIREMENT OR DISABILITY PURPOSES AS  
27 PROVIDED BY THE ACT OF MAY 12, 1943 (P.L.259, NO.120), ENTITLED  
28 "AN ACT PROVIDING FOR THE PAYMENT BY THE STATE TREASURER, OF THE  
29 AMOUNT OF THE TAX ON PREMIUMS PAID BY FOREIGN CASUALTY INSURANCE  
30 COMPANIES, TO THE TREASURERS OF THE SEVERAL CITIES, BOROUGHs,

1 TOWNS, TOWNSHIPS, AND CERTAIN COUNTIES, AND FOR THE PAYMENT  
2 THEREOF INTO POLICE PENSION FUNDS, AND IN CERTAIN CASES INTO THE  
3 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM, AND FOR PENSION ANNUITY  
4 CONTRACTS, AND IN CERTAIN OTHER CASES INTO THE STATE EMPLOYEES'  
5 RETIREMENT FUND, FOR CERTAIN PURPOSES."

6 SECTION 902.1. CREDITS FOR ASSESSMENTS PAID.--\* \* \*

7 [(D) THE CREDITS ALLOWED BY THIS SECTION SHALL NOT REDUCE  
8 THE AMOUNTS WHICH WOULD OTHERWISE BE PAYABLE FOR FIREMEN'S  
9 RELIEF PENSION OR RETIREMENT PURPOSES OR FOR POLICE PENSION,  
10 RETIREMENT OR DISABILITY PURPOSES. THE DEPARTMENT SHALL TRANSFER  
11 BY JUNE 30 OF EACH FISCAL YEAR AN AMOUNT EQUAL TO THE CREDITS  
12 TAKEN UNDER THIS SECTION BY FOREIGN FIRE AND CASUALTY INSURANCE  
13 COMPANIES FROM THE GENERAL FUND TO THE MUNICIPAL PENSION AID  
14 FUND AND THE FIRE INSURANCE TAX FUND, AS APPROPRIATE.]

15 \* \* \*

16 SECTION 1601-A. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND  
17 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANINGS  
18 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT  
19 CLEARLY INDICATES A DIFFERENT MEANING:

20 "PEER-TO-PEER CAR-SHARING PROGRAM." AS DEFINED UNDER SECTION  
21 201(OOO).

22 "RENTAL VEHICLE." A PRIVATE PASSENGER MOTOR VEHICLE DESIGNED  
23 TO TRANSPORT FIFTEEN OR FEWER PASSENGERS OR A TRUCK, TRAILER OR  
24 SEMITRAILER USED IN THE TRANSPORTATION OF PROPERTY OTHER THAN  
25 COMMERCIAL FREIGHT, THAT IS RENTED WITHOUT A DRIVER AND IS PART  
26 OF A FLEET OF FIVE OR MORE RENTAL VEHICLES USED FOR THAT  
27 PURPOSE, OWNED OR LEASED BY THE SAME PERSON OR ENTITY.

28 "SHARED VEHICLE." A VEHICLE THAT IS AVAILABLE FOR SHARING  
29 THROUGH A PEER-TO-PEER CAR-SHARING PROGRAM. THE TERM DOES NOT  
30 INCLUDE A RENTAL VEHICLE AS DEFINED UNDER THIS ARTICLE.

1 "VEHICLE RENTAL COMPANY." ANY BUSINESS ENTITY ENGAGED IN THE  
2 BUSINESS OF RENTING MOTOR VEHICLES IN THIS COMMONWEALTH.

3 SECTION 1602-A. VEHICLE RENTAL TAX.-- (A) ~~[EACH]~~ EXCEPT AS  
4 PROVIDED UNDER SUBSECTION (B), EACH VEHICLE RENTAL COMPANY SHALL  
5 COLLECT, AT THE TIME THE RENTAL VEHICLE IS RENTED IN THIS  
6 COMMONWEALTH, ON EACH RENTAL CONTRACT FOR A PERIOD OF TWENTY-  
7 NINE OR FEWER CONSECUTIVE DAYS, A TAX EQUAL TO TWO PER CENT OF  
8 THE PURCHASE PRICE OF THE RENTAL.

9 (B) THE TAX IMPOSED UNDER SUBSECTION (A) SHALL NOT APPLY TO  
10 A SHARED VEHICLE THAT IS RENTED THROUGH A PEER-TO-PEER CAR-  
11 SHARING PROGRAM.

12 SECTION 1709-B. LIMITATION ON CREDITS.-- (A) THE TOTAL  
13 AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT SHALL NOT EXCEED  
14 ~~[FIFTY-FIVE MILLION DOLLARS (\$55,000,000)]~~ SIXTY MILLION DOLLARS  
15 (\$60,000,000) IN ANY FISCAL YEAR. OF THAT AMOUNT, ~~[ELEVEN~~  
16 ~~MILLION DOLLARS (\$11,000,000)]~~ TWELVE MILLION DOLLARS  
17 (\$12,000,000) SHALL BE ALLOCATED EXCLUSIVELY FOR SMALL  
18 BUSINESSES. HOWEVER, IF THE TOTAL AMOUNTS ALLOCATED TO EITHER  
19 THE GROUP OF APPLICANTS EXCLUSIVE OF SMALL BUSINESSES OR THE  
20 GROUP OF SMALL BUSINESS APPLICANTS IS NOT APPROVED IN ANY FISCAL  
21 YEAR, THE UNUSED PORTION WILL BECOME AVAILABLE FOR USE BY THE  
22 OTHER GROUP OF QUALIFYING TAXPAYERS.

23 \* \* \*

24 SECTION 8. THE DEFINITION OF "MULTIFILM" IN SECTION 1711-D  
25 OF THE ACT, ADDED JUNE 30, 2021 (P.L.124, NO.25), IS AMENDED AND  
26 THE SECTION IS AMENDED BY ADDING DEFINITIONS TO READ:  
27 SECTION 1711-D. DEFINITIONS.

28 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE  
29 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
30 CONTEXT CLEARLY INDICATES OTHERWISE:

1 \* \* \*

2 ["MULTIFILM." A SERIES OF SEPARATE AND DISTINCT FILMS  
3 PRODUCED BY THE SAME TAXPAYER OVER A PERIOD OF NO LESS THAN ONE  
4 YEAR AND NO MORE THAN FOUR YEARS FROM THE TIME OF APPLICATION.]

5 "MULTIFILM PRODUCTION." A SERIES OF SEPARATE AND DISTINCT  
6 FILMS THAT ARE PRODUCED BY THE SAME TAXPAYER, OR DIRECTLY OR  
7 INDIRECTLY PRODUCED BY THE SAME TAXPAYERS WHO HAVE NO LESS THAN  
8 80% COMMON OWNERSHIP, OVER A PERIOD OF NO MORE THAN FOUR YEARS  
9 FROM THE TIME OF APPLICATION.

10 \* \* \*

11 "PENNSYLVANIA FILM PRODUCER." A PENNSYLVANIA DOMICILED FILM  
12 PRODUCTION COMPANY THAT MEETS THE FOLLOWING:

13 (1) THE PRINCIPAL TAX JURISDICTION IS THIS COMMONWEALTH.

14 (2) A MAJORITY OF THE TAXPAYER'S OWNERS ARE PENNSYLVANIA  
15 RESIDENTS.

16 (3) THE TAXPAYER EMPLOYS FEWER THAN 15 FULL-TIME  
17 EMPLOYEES.

18 \* \* \*

19 SECTION 9. SECTION 1712-D(B) (7.1) OF THE ACT, ADDED JUNE 30,  
20 2021 (P.L.124, NO.25), IS AMENDED AND THE SUBSECTION IS AMENDED  
21 BY ADDING PARAGRAPHS TO READ:

22 SECTION 1712-D. CREDIT FOR QUALIFIED FILM PRODUCTION EXPENSES.

23 \* \* \*

24 (B) REVIEW AND APPROVAL.--THE DEPARTMENT SHALL ESTABLISH  
25 APPLICATION PERIODS NOT TO EXCEED 90 DAYS EACH. ALL APPLICATIONS  
26 RECEIVED DURING THE APPLICATION PERIOD SHALL BE REVIEWED AND  
27 EVALUATED BY THE DEPARTMENT BASED ON THE FOLLOWING CRITERIA:

28 \* \* \*

29 (5.1) FOR A PENNSYLVANIA FILM PRODUCER, THE PORTION OF  
30 ALL PREPRODUCTION EXPENSES, PRODUCTION EXPENSES AND

1 POSTPRODUCTION EXPENSES INCURRED IN PENNSYLVANIA.

2 \* \* \*

3 (7.1) IF A MULTIFILM PRODUCTION APPLICATION IS  
4 SUBMITTED, THE DEPARTMENT SHALL CONSIDER THE ABILITY OF THE  
5 TAXPAYER TO PRODUCE MULTIPLE FILMS WITHIN THIS COMMONWEALTH  
6 DURING THE PROPOSED PERIOD OF PRODUCTION AND THE POTENTIAL  
7 ECONOMIC IMPACT, INCLUDING TOURISM IMPACT, OF THE MULTIPLE  
8 FILMS TO THIS COMMONWEALTH. THE TAXPAYER MAY SUPPLEMENT THE  
9 MULTIFILM PRODUCTION APPLICATION WITH ADDITIONAL FILMS DURING  
10 THE PERIOD OF PRODUCTION. THE DEPARTMENT MAY ANNUALLY EXTEND  
11 THE MULTIFILM PRODUCTION APPLICATION'S PERIOD OF PRODUCTION  
12 BEFORE THE EXPIRATION OF THE PERIOD OF PRODUCTION. THE  
13 TAXPAYER MAY NOT INCLUDE A FILM IN THE MULTIFILM PRODUCTION  
14 APPLICATION THAT WAS THE SUBJECT OF AN APPLICATION SUBMITTED  
15 UNDER THIS SUBSECTION BEFORE JANUARY 1, 2022.

16 (7.2) THE FILM WILL BE PRODUCED BY A PENNSYLVANIA FILM  
17 PRODUCER.

18 \* \* \*

19 SECTION 10. SECTION 1716-D(A) INTRODUCTORY PARAGRAPH OF THE  
20 ACT IS AMENDED AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS  
21 TO READ:

22 SECTION 1716-D. LIMITATIONS.

23 (A) CAP.--EXCEPT FOR TAX CREDITS REISSUED UNDER SECTION  
24 1716.1-D, IN NO CASE SHALL THE AGGREGATE AMOUNT OF TAX CREDITS  
25 AWARDED IN ANY FISCAL YEAR UNDER THIS SUBARTICLE EXCEED  
26 [\$70,000,000] \$100,000,000. THE DEPARTMENT MAY, IN ITS  
27 DISCRETION, AWARD IN ONE FISCAL YEAR UP TO:

28 \* \* \*

29 (E) PENNSYLVANIA FILM PRODUCER RESERVE.--THE DEPARTMENT  
30 SHALL ANNUALLY RESERVE AND ALLOCATE \$5,000,000 OF THE TAX

1 CREDITS AUTHORIZED UNDER THIS SUBARTICLE IN SUPPORT OF PROJECTS  
2 PRODUCED BY A PENNSYLVANIA FILM PRODUCER. A PENNSYLVANIA FILM  
3 PRODUCER SHALL NOT BE LIMITED IN ELIGIBILITY FOR A TAX CREDIT  
4 SOLELY TO THE PENNSYLVANIA FILM PRODUCER RESERVE IN ANY FISCAL  
5 YEAR.

6 (F) IF THE TOTAL AMOUNT OF TAX CREDITS RESERVED AND  
7 ALLOCATED UNDER SUBSECTION (E) IS NOT AWARDED IN A FISCAL YEAR,  
8 THE AMOUNT NOT AWARDED SHALL BE MADE AVAILABLE FOR USE BY  
9 TAXPAYERS WHO ARE NOT PENNSYLVANIA FILM PRODUCERS.

10 SECTION 11. SECTIONS 1716.1-D(A) (4) AND 1777-D(A) (1) OF THE  
11 ACT, AMENDED OR ADDED JUNE 30, 2021 (P.L.124, NO.25), ARE  
12 AMENDED TO READ:

13 SECTION 1716.1-D. REISSUANCE OF FILM PRODUCTION TAX CREDITS.

14 (A) REISSUANCE.--IN ANY FISCAL YEAR, THE DEPARTMENT MAY  
15 REISSUE A TAX CREDIT WHICH MEETS ALL OF THE FOLLOWING:

16 \* \* \*

17 (4) IF AN INDIVIDUAL FILM THAT WAS ISSUED A TAX CREDIT  
18 AS PART OF A MULTIFILM PRODUCTION APPLICATION IS CANCELED,  
19 THE DEPARTMENT MAY REISSUE THAT TAX CREDIT ONLY AFTER  
20 ALLOWING THE TAXPAYER OR THE TAXPAYER'S AFFILIATE 90 DAYS TO  
21 SUBMIT AN APPLICATION FOR AN ALTERNATIVE INDIVIDUAL FILM,  
22 PRODUCED BY THE TAXPAYER OR THE TAXPAYER'S AFFILIATE FOR THAT  
23 TAX CREDIT. THE DEPARTMENT MAY APPROVE OR REJECT THE  
24 APPLICATION.

25 \* \* \*

26 SECTION 1777-D. LIMITATIONS.

27 (A) CAP.--

28 (1) THE AGGREGATE AMOUNT OF TAX CREDITS AWARDED IN A  
29 FISCAL YEAR UNDER THIS SUBARTICLE MAY NOT EXCEED [\$8,000,000]  
30 \$24,000,000.

1 \* \* \*

2 SECTION 12. SECTIONS L708-K(4), 1809-C(C)(2), 1813-C(A)  
3 (1.1), 1817-C(A), 1805-F(C) AND 1908-B OF THE ACT ARE AMENDED TO  
4 READ:

5 SECTION 1708-K. LIMITATIONS.

6 THE FOLLOWING LIMITATIONS SHALL APPLY TO THE TAX CREDITS:

7 \* \* \*

8 (4) THE TOTAL AMOUNT OF ALL TAX CREDITS SHALL NOT EXCEED  
9 ~~[\$1,500,000]~~ \$5,000,000 IN ANY ONE FISCAL YEAR.

10 \* \* \*

11 SECTION 1809-C. REPORTS.

12 \* \* \*

13 (C) PENALTIES.--

14 \* \* \*

15 (2) ~~[A PENALTY FOR A VIOLATION OF SUBSECTION (A) SHALL~~  
16 ~~BE IMPOSED, ASSESSED AND COLLECTED BY THE DEPARTMENT]~~ THE  
17 DEPARTMENT SHALL NOTIFY THE CONTRACTING AUTHORITY OF ALL  
18 QUALIFIED BUSINESSES THAT VIOLATED SUBSECTION (A) PRIOR TO  
19 DECEMBER 31 OF THE YEAR IN WHICH THE REPORT WAS TO BE FILED.  
20 A PENALTY FOR A VIOLATION OF SUBSECTION (A) SHALL BE IMPOSED,  
21 ASSESSED AND COLLECTED BY THE DEPARTMENT UNDER PROCEDURES SET  
22 FORTH IN ARTICLE II. MONEY COLLECTED UNDER THIS PARAGRAPH  
23 SHALL BE DEPOSITED IN THE GENERAL FUND.

24 \* \* \*

25 SECTION 1813-C. RESTRICTIONS.

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

28 \* \* \*

29 (1.1) PAYMENT OF DEBT SERVICE ON BONDS ISSUED OR  
30 REFINANCED TO ESTABLISH A REVOLVING [~~LOAN~~] FUND THAT WILL



1 PROVIDE FINANCIAL ASSISTANCE IN THE FORM OF A GRANT OR A LOAN  
2 TO A QUALIFIED BUSINESS ACQUIRING PROPERTY FOR THE BUSINESS,  
3 CONSTRUCTING A NEW FACILITY, RECONSTRUCTING OR RENOVATING AN  
4 EXISTING FACILITY OR ACQUIRING NEW EQUIPMENT TO BE USED BY  
5 THE QUALIFYING BUSINESS IN A ZONE.

6 \* \* \*

7 SECTION 1817-C. CONFIDENTIALITY.

8 (A) SOLE USE.--A ZONE REPORT OR CERTIFICATION UNDER THIS  
9 ARTICLE SHALL ONLY BE USED BY THE CONTRACTING AUTHORITY TO  
10 VERIFY THE AMOUNT OF THE STATE TAX BASELINE AMOUNT CALCULATED  
11 UNDER SECTION 1810-C [AND], THE STATE TAX CERTIFICATION UNDER  
12 SECTION 1811-C AND THE AMOUNT ALLOCATED TO ANY USES SPECIFIED  
13 UNDER SECTION 1813-C.

14 \* \* \*

15 SECTION 1805-F. DUTIES.

16 \* \* \*

17 [(C) TRANSFERS OF AMOUNTS.--IN A FISCAL YEAR IN WHICH A TAX  
18 CREDIT IS CLAIMED UNDER THIS ARTICLE, THE STATE TREASURER SHALL,  
19 PRIOR TO JUNE 30 OF THE FISCAL YEAR, DO ALL OF THE FOLLOWING:

20 (1) TRANSFER AN AMOUNT FROM THE GENERAL FUND EQUAL TO  
21 THE AMOUNT OF PREMIUMS TAX CREDITS CLAIMED BY A FOREIGN FIRE  
22 INSURANCE COMPANY AGAINST TAXES THAT OTHERWISE WOULD BE  
23 DISTRIBUTED IN ACCORDANCE WITH CHAPTER 7 OF THE ACT OF  
24 DECEMBER 18, 1984 (P.L.1005, NO.205), KNOWN AS THE MUNICIPAL  
25 PENSION PLAN FUNDING STANDARD AND RECOVERY ACT, TO THE FUND  
26 AS DEFINED IN SECTION 702 OF THE MUNICIPAL PENSION PLAN  
27 FUNDING STANDARD AND RECOVERY ACT.

28 (2) TRANSFER FROM THE GENERAL FUND AN AMOUNT EQUAL TO  
29 THE AMOUNT OF A PREMIUMS TAX CREDIT CLAIMED BY A FOREIGN  
30 CASUALTY INSURANCE COMPANY AGAINST TAXES THAT OTHERWISE WOULD

1 BE DISTRIBUTED AND USED FOR POLICE PENSION, RETIREMENT OR  
2 DISABILITY PURPOSES AS PROVIDED BY THE ACT OF MAY 12, 1943  
3 (P.L.259, NO.120), REFERRED TO AS THE FOREIGN CASUALTY  
4 INSURANCE PREMIUM TAX ALLOCATION LAW, FOR DISTRIBUTION IN  
5 ACCORDANCE WITH THE FOREIGN CASUALTY INSURANCE PREMIUM TAX  
6 ALLOCATION LAW.]

7 SECTION 1908-B. CONFIDENTIALITY.

8 NOTWITHSTANDING ANY LAW PROVIDING FOR THE CONFIDENTIALITY OF  
9 TAX RECORDS, THE CONTRACTING AUTHORITY AND THE LOCAL TAXING  
10 AUTHORITIES SHALL HAVE ACCESS TO ANY REPORTS AND CERTIFICATIONS  
11 FILED UNDER THIS ARTICLE, AND THE CONTRACTING AUTHORITY SHALL  
12 HAVE ACCESS TO ANY STATE OR LOCAL TAX INFORMATION FILED BY A  
13 QUALIFIED BUSINESS IN THE NEIGHBORHOOD IMPROVEMENT ZONE SOLELY  
14 FOR THE PURPOSE OF DOCUMENTING THE CERTIFICATIONS REQUIRED BY  
15 THIS ARTICLE OR DETERMINING THE AMOUNT ALLOCATED TO ANY USES  
16 SPECIFIED UNDER SECTION 1904-B(E) (1). ANY OTHER USE OF THE TAX  
17 INFORMATION SHALL BE PROHIBITED AS PROVIDED UNDER LAW.

18 SECTION 13. SECTION 1912-D(D) OF THE ACT IS AMENDED AND THE  
19 SECTION IS AMENDED BY ADDING SUBSECTIONS TO READ:

20 SECTION 1912-D. EXTENSION FOR NEW JOB CREATION OR NEW CAPITAL  
21 INVESTMENT.

22 \* \* \*

23 (A.1) AFFILIATES.--IF AN AFFILIATE OF A QUALIFIED BUSINESS  
24 WHOSE INDIVIDUAL OR JOINT EXTENSION APPLICATION UNDER SUBSECTION  
25 (A) WAS APPROVED AND THE AFFILIATE LOCATES WITHIN AN EXTENDED  
26 PARCEL BEFORE THE EXPIRATION OF THE CERTIFICATION ISSUED UNDER  
27 SUBSECTION (B) (3), THE AFFILIATE IS ENTITLED TO THE TAX  
28 EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS SPECIFIED UNDER  
29 THIS SECTION, PROVIDED THE AFFILIATE MEETS THE REQUIREMENTS OF  
30 SECTION 307(A) OF THE KOZ ACT.

1 \* \* \*

2 (D) EXPIRATION.--THE FOLLOWING APPLY:

3 (1) ALL CONTINUATIONS SHALL EXPIRE NO LATER THAN 10  
4 YEARS FOLLOWING THE EFFECTIVE DATE OF CERTIFICATION BY THE  
5 DEPARTMENT.

6 (2) IF THE QUALIFIED BUSINESS THAT IS A SOLE APPLICANT  
7 REMOVES ITSELF FROM THE [CONTINUED] EXTENDED PARCEL OR PARCEL  
8 PRIOR TO THE EXPIRATION OF THE [CONTINUATION, THE  
9 CONTINUATION] EXTENSION AND NO AFFILIATE REMAINS WITHIN THE  
10 CONTINUED PARCEL, THE EXTENSION SHALL EXPIRE UPON THE DATE OF  
11 DEPARTURE OF THAT QUALIFIED BUSINESS. IF ONE OR MORE  
12 AFFILIATES REMAIN WITHIN THE EXTENDED PARCEL, THE EXTENSION  
13 SHALL EXPIRE UPON THE DATE OF DEPARTURE OF THE LAST REMAINING  
14 AFFILIATE OR UPON THE EXPIRATION OF THE EXTENSION DATE,  
15 WHICHEVER OCCURS FIRST.

16 (3) IF TWO OR MORE QUALIFIED BUSINESSES SUBMITTED AN  
17 APPLICATION UNDER SUBSECTION (A) AS JOINT APPLICANTS[, THIS  
18 SUBSECTION SHALL APPLY ONLY IF ALL THE QUALIFIED BUSINESSES  
19 THAT WERE THE JOINT APPLICANTS REMOVE THEMSELVES FROM THE  
20 PARCEL PRIOR TO THE EXPIRATION OF THE CONTINUATION. IN THAT  
21 CASE, THE CONTINUATION] AND ALL THE JOINT APPLICANTS REMOVE  
22 THEMSELVES FROM THE PARCEL PRIOR TO THE EXPIRATION OF THE  
23 EXTENSION AND NO AFFILIATE OF A JOINT APPLICANT IS LOCATED ON  
24 OR REMAINS WITHIN THE EXTENDED PARCEL, THE EXTENSION SHALL  
25 EXPIRE UPON THE DATE OF DEPARTURE OF THE LAST QUALIFIED  
26 BUSINESS. IF ONE OR MORE AFFILIATES REMAIN, THE EXTENSION  
27 SHALL EXPIRE UPON THE DEPARTURE DATE OF THE LAST REMAINING  
28 AFFILIATE OR UPON THE EXPIRATION OF THE EXTENSION DATE,  
29 WHICHEVER OCCURS FIRST.

30 \* \* \*

1 (F) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
2 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
3 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

4 "AFFILIATE." A PERSON WHO DIRECTLY OR INDIRECTLY:

5 (1) OWNS OR CONTROLS ANOTHER PERSON;

6 (2) IS OWNED OR CONTROLLED BY ANOTHER PERSON; OR

7 (3) IS UNDER COMMON OWNERSHIP OR CONTROL WITH ANOTHER  
8 PERSON.

9 "PERSON." AS DEFINED UNDER 1 PA.C.S. § 1991 (RELATING TO  
10 DEFINITIONS).

11 SECTION 14. SECTION 1921-D(D) (1) AND (3) OF THE ACT, AMENDED  
12 JUNE 30, 2021 (P.L.124, NO.25), ARE AMENDED TO READ:

13 SECTION 1921-D. ADDITIONAL KEYSTONE OPPORTUNITY EXPANSION  
14 ZONES.

15 \* \* \*

16 (D) APPLICATION.--

17 (1) IN ORDER TO RECEIVE A DESIGNATION UNDER THIS  
18 SECTION, THE DEPARTMENT MUST RECEIVE AN APPLICATION FROM A  
19 POLITICAL SUBDIVISION OR ITS DESIGNEE NO LATER THAN OCTOBER  
20 1, [2022] 2023. THE APPLICATION MUST CONTAIN THE INFORMATION  
21 REQUIRED UNDER SECTION 302(A) (1), (2) (I) AND (IX), (5) AND  
22 (6) OF THE KOZ ACT.

23 \* \* \*

24 (3) THE DEPARTMENT SHALL ACT ON AN APPLICATION FOR A  
25 DESIGNATION UNDER SECTION 302(A) (1) OF THE KOZ ACT BY  
26 DECEMBER 31, [2022] 2023.

27 \* \* \*

28 SECTION 15. THE ACT IS AMENDED BY ADDING ARTICLES TO READ:

29 ARTICLE XIX-H

30 AIRPORT LAND DEVELOPMENT ZONES

1 SECTION 1901-H. DEFINITIONS.

2 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
3 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
4 CONTEXT CLEARLY INDICATES OTHERWISE:

5 "AFFILIATE." AS FOLLOWS:

6 (1) AN ENTITY WHICH IS PART OF THE SAME AFFILIATED GROUP  
7 AS DEFINED IN SECTION 1504(A) OF THE INTERNAL REVENUE CODE OF  
8 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1504(A)), AS AN AIRPORT  
9 LAND DEVELOPMENT ZONE EMPLOYER; OR

10 (2) AN ENTITY THAT WOULD BE PART OF THE SAME AFFILIATED  
11 GROUP EXCEPT THAT THE ENTITY OR THE AIRPORT LAND DEVELOPMENT  
12 ZONE EMPLOYER IS NOT A CORPORATION.

13 "AIRPORT." A COMMERCIAL SERVICE AIRPORT OR A NONCOMMERCIAL  
14 SERVICE AIRPORT.

15 "AIRPORT LAND DEVELOPMENT ZONE." AS FOLLOWS:

16 (1) AN AREA OF NO MORE THAN 300 ACRES, CONSISTING OF  
17 PARCELS OF REAL PROPERTY THAT ARE OWNED BY A COMMERCIAL  
18 SERVICE AIRPORT OR LEASED UNDER PARAGRAPH (3), WITH, AS OF  
19 DECEMBER 31, 2021, NO PERMANENT VERTICAL STRUCTURES AFFIXED  
20 OR BUILDINGS WITH BUSINESSES LOCATED IN THE STRUCTURES. THE  
21 TOTAL ACRES FOR ALL COMMERCIAL SERVICE AIRPORTS IN THE  
22 PROGRAM MAY NOT EXCEED 2,000 ACRES.

23 (2) AN AREA OF NO MORE THAN 50 ACRES, CONSISTING OF  
24 PARCELS OF REAL PROPERTY THAT ARE OWNED BY A NONCOMMERCIAL  
25 SERVICE AIRPORT OR LEASED UNDER PARAGRAPH (3), WITH, AS OF  
26 DECEMBER 31, 2021, NO PERMANENT VERTICAL STRUCTURES AFFIXED  
27 OR VACANT BUILDINGS WITH BUSINESSES LOCATED IN THE  
28 STRUCTURES. THE TOTAL ACRES FOR ALL NONCOMMERCIAL SERVICE  
29 AIRPORTS IN THE PROGRAM MAY NOT EXCEED 2,000 ACRES.

30 (3) A PARCEL OF REAL PROPERTY IN THE ZONE MAY BE LEASED

1 OR GROUND LEASED TO A THIRD PARTY WHILE CONTINUING TO BE  
2 OWNED BY A COMMERCIAL SERVICE AIRPORT OR A NONCOMMERCIAL  
3 SERVICE AIRPORT FOR THE DURATION OF THE PROGRAM.

4 "AIRPORT LAND DEVELOPMENT ZONE EMPLOYER." A PERSON OR ENTITY  
5 SUBJECT TO THE TAXES IMPOSED UNDER ARTICLE III, IV, VII, VIII OR  
6 XV WHO EMPLOYS AT LEAST ONE EMPLOYEE IN AN AIRPORT LAND  
7 DEVELOPMENT ZONE. THE TERM SHALL INCLUDE A PASS-THROUGH ENTITY.  
8 THE TERM SHALL NOT INCLUDE AN EMPLOYER ENGAGED IN CONSTRUCTION  
9 IMPROVEMENTS IN AN AIRPORT LAND DEVELOPMENT ZONE.

10 "AIRPORT LAND DEVELOPMENT ZONE PLAN." THE DOCUMENT SUBMITTED  
11 TO THE DEPARTMENT THAT DETAILS THE PARCELS INCLUDED IN THE  
12 AIRPORT LAND DEVELOPMENT ZONE BY AN AIRPORT. THE PLAN SHALL  
13 INCLUDE THE FOLLOWING:

14 (1) A LEGAL DESCRIPTION, IDENTIFICATION NUMBER AND  
15 ACREAGE OF EACH PARCEL INCLUDED IN THE ZONE.

16 (2) CERTIFICATION BY AN AIRPORT THAT ANY BUILDING IN THE  
17 ZONE WAS VACANT AND ANY PARCEL IN THE ZONE HAD NO PERMANENT,  
18 VERTICAL STRUCTURES AFFIXED TO THE PARCEL ON OR AFTER  
19 DECEMBER 31, 2021.

20 (3) A MAP AND DIAGRAM OF EACH PARCEL INCLUDED IN THE  
21 PLAN.

22 "COMMERCIAL SERVICE AIRPORT." A PUBLICLY OWNED AIRPORT WITH  
23 AT LEAST 2,500 ANNUAL ENPLANEMENTS AND SCHEDULED AIR CARRIER  
24 SERVICE. THE TERM INCLUDES A PUBLIC USE AIRPORT IN A COUNTY OF  
25 THE FOURTH CLASS WITH A POPULATION OF BETWEEN 140,000 AND  
26 148,000 PEOPLE UNDER THE 2020 DECENNIAL CENSUS.

27 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
28 DEVELOPMENT OF THE COMMONWEALTH.

29 "EMPLOYEE." AN INDIVIDUAL WHO MEETS ALL OF THE FOLLOWING:

30 (1) IS EMPLOYED IN THIS COMMONWEALTH BY AN AIRPORT LAND

1 DEVELOPMENT ZONE EMPLOYER OR ITS PREDECESSOR AFTER THE  
2 EFFECTIVE DATE OF THIS SECTION.

3 (2) IS EMPLOYED FOR AT LEAST 35 HOURS PER WEEK BY AN  
4 AIRPORT LAND DEVELOPMENT ZONE EMPLOYER.

5 (3) SPENDS AT LEAST 90% OF THE INDIVIDUAL'S WORKING TIME  
6 FOR THE AIRPORT LAND DEVELOPMENT ZONE EMPLOYER AT THE AIRPORT  
7 LAND DEVELOPMENT ZONE LOCATION.

8 "FULL-TIME EQUIVALENT EMPLOYEE." AS FOLLOWS:

9 (1) THE WHOLE NUMBER OF EMPLOYEES, ROUNDED DOWN, THAT  
10 EQUALS THE SUM OF:

11 (I) THE TOTAL PAID HOURS, INCLUDING PAID TIME OFF  
12 AND FAMILY LEAVE UNDER THE FAMILY AND MEDICAL LEAVE ACT  
13 OF 1993 (PUBLIC LAW 103-3, 29 U.S.C. § 2601 ET SEQ.), OF  
14 ALL OF AN AIRPORT LAND DEVELOPMENT ZONE EMPLOYER'S  
15 EMPLOYEES CLASSIFIED AS NONEXEMPT DURING THE AIRPORT LAND  
16 DEVELOPMENT ZONE EMPLOYER'S TAX YEAR DIVIDED BY 2,000;  
17 AND

18 (II) A TOTAL NUMBER ARRIVED AT BY ADDING, FOR EACH  
19 AIRPORT LAND DEVELOPMENT ZONE EMPLOYER'S EMPLOYEES  
20 CLASSIFIED AS EXEMPT SCHEDULED TO WORK AT LEAST 35 HOURS  
21 PER WEEK, THE FRACTION EQUAL TO THE PORTION OF THE YEAR  
22 THE EXEMPT EMPLOYEE WAS PAID BY THE AIRPORT LAND  
23 DEVELOPMENT ZONE EMPLOYER. WHETHER AN EMPLOYEE SHALL BE  
24 CLASSIFIED AS EXEMPT OR NONEXEMPT SHALL BE DETERMINED  
25 UNDER THE FAIR LABOR STANDARDS ACT OF 1938 (52 STAT.  
26 1060, 29 U.S.C. § 201 ET SEQ.).

27 (2) THE CALCULATION UNDER PARAGRAPH (1) SHALL EXCLUDE  
28 EMPLOYEES PREVIOUSLY EMPLOYED BY AN AFFILIATE AND EMPLOYEES  
29 PREVIOUSLY EMPLOYED BY THE AIRPORT LAND DEVELOPMENT ZONE  
30 EMPLOYER OUTSIDE OF AN AIRPORT LAND DEVELOPMENT ZONE.

1 "NONCOMMERCIAL SERVICE AIRPORT." AN AIRPORT THAT IS PUBLICLY  
2 OR PRIVATELY OWNED, OPEN TO THE PUBLIC, WITH LESS THAN 2,500  
3 ANNUAL ENPLANEMENTS AND WITHOUT SCHEDULED AIR CARRIER SERVICE.

4 "PASS-THROUGH ENTITY." A PARTNERSHIP AS DEFINED IN SECTION  
5 301(N.0) OR A PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION  
6 301(N.1).

7 "PLAN." AN AIRPORT LAND DEVELOPMENT ZONE PLAN.

8 "PROGRAM." THE AIRPORT LAND DEVELOPMENT ZONE PROGRAM  
9 ESTABLISHED UNDER SECTION 1902-H.

10 "QUALIFIED TAX LIABILITY." A TAX OWED BY AN AIRPORT LAND  
11 DEVELOPMENT ZONE EMPLOYER ATTRIBUTABLE TO A BUSINESS ACTIVITY  
12 CONDUCTED WITHIN AN AIRPORT LAND DEVELOPMENT ZONE FOR A TAX YEAR  
13 UNDER ARTICLE III, IV, VII, VIII OR XV, EXCLUDING ANY TAX  
14 WITHHELD BY AN EMPLOYER UNDER ARTICLE III.

15 "ZONE." AN AIRPORT LAND DEVELOPMENT ZONE.  
16 SECTION 1902-H. AIRPORT LAND DEVELOPMENT ZONE PROGRAM.

17 THE AIRPORT LAND DEVELOPMENT ZONE PROGRAM IS ESTABLISHED TO  
18 ENCOURAGE AND PROMOTE THE CREATION OF NEW JOBS ON LAND AND  
19 BUILDINGS OWNED BY AIRPORTS WITHIN THIS COMMONWEALTH, WHILE  
20 ACCELERATING ECONOMIC ACTIVITY AT AND AROUND AIRPORTS ON  
21 UNDEVELOPED LAND OR VACANT BUILDINGS OWNED BY AIRPORTS THAT CAN  
22 PROVIDE NEW REVENUE SOURCES FOR AIRPORTS.

23 SECTION 1903-H. APPLICATION AND PLAN.

24 (A) APPLICATION.--WITHIN FOUR MONTHS OF THE EFFECTIVE DATE  
25 OF THIS SECTION, THE DEPARTMENT SHALL PUBLISH GUIDELINES AND AN  
26 APPLICATION FOR AIRPORTS.

27 (B) FILING PLAN.--THE DEPARTMENT SHALL BEGIN ACCEPTING PLANS  
28 FROM EACH AIRPORT 30 DAYS AFTER THE DEPARTMENT PUBLISHES THE  
29 GUIDELINES AND APPLICATION.

30 (C) APPROVAL OF PLAN.--UPON RECEIPT OF A PLAN SUBMITTED BY



1 AN AIRPORT UNDER SUBSECTION (B), THE DEPARTMENT SHALL HAVE 60  
2 CALENDAR DAYS TO REVIEW THE PLAN FOR APPROPRIATENESS AND  
3 CONFORMITY. IF THE PROPOSED PLAN CONFORMS WITH THIS ARTICLE, THE  
4 DEPARTMENT SHALL APPROVE THE PLAN. IF THE PROPOSED PLAN DOES NOT  
5 CONFORM, THE DEPARTMENT SHALL NOTIFY THE APPLICANT IN WRITING.  
6 THE AIRPORT MAY REVISE THE PLAN TO MAKE THE PLAN CONFORM WITH  
7 THIS ARTICLE. UPON RECEIPT OF THE REVISED PLAN, THE DEPARTMENT  
8 SHALL HAVE 60 DAYS TO APPROVE THE REVISED PLAN.

9 (D) ACREAGE LIMIT.--IN THE EVENT THE AREA COVERED BY THE  
10 AGGREGATE APPLICATIONS RECEIVED BY THE DEPARTMENT WOULD CAUSE  
11 THE AREA COVERED UNDER THE PROGRAM TO EXCEED THE 2,000 ACRE ZONE  
12 LIMIT, APPLICATIONS SHALL BE APPROVED BY THE DEPARTMENT IN THE  
13 ORDER RECEIVED.

14 (E) NOTIFICATION.--WHEN A PLAN SUBMITTED BY AN AIRPORT UNDER  
15 SUBSECTION (B) IS APPROVED, THE DEPARTMENT SHALL NOTIFY THE  
16 DEPARTMENT OF REVENUE OF PARCELS INCLUDED IN THE ZONE WITHIN 60  
17 DAYS OF APPROVAL.

18 (F) CHANGE.--AN AIRPORT MAY CHANGE THE APPROVED PLAN BY  
19 SUBDIVIDING A PARCEL, CHANGING THE LEGAL DESCRIPTION OF A  
20 PARCEL, MOVING THE ZONE DESIGNATION TO ANOTHER QUALIFYING PARCEL  
21 OWNED BY AN AIRPORT OR MAKING PHYSICAL CHANGES TO A VACANT  
22 BUILDING IN THE ZONE BY ADDING TO THE BUILDING'S SIZE OR  
23 REDUCING THE BUILDING'S SIZE AFTER THE PLAN HAS BEEN APPROVED.  
24 IF AN AIRPORT CHOOSES TO MAKE THE CHANGES, THE AIRPORT SHALL  
25 NOTIFY THE DEPARTMENT AND THE DEPARTMENT OF REVENUE OF THE  
26 CHANGES. THE DEPARTMENT SHALL ISSUE A DOCUMENT CONFIRMING THE  
27 CHANGES TO THE AIRPORT'S ZONE.

28 SECTION 1904-H. AIRPORT LAND DEVELOPMENT ZONE TAX CREDIT.

29 (A) TAX CREDIT.--AN AIRPORT LAND DEVELOPMENT ZONE EMPLOYER  
30 MAY CLAIM A TAX CREDIT AGAINST A QUALIFIED TAX LIABILITY AS

1 PROVIDED UNDER THIS ARTICLE.

2 (B) PROCESS.--

3 (1) AN AIRPORT LAND DEVELOPMENT ZONE EMPLOYER SHALL  
4 NOTIFY THE DEPARTMENT AND THE DEPARTMENT OF REVENUE OF THE  
5 AIRPORT LAND DEVELOPMENT ZONE EMPLOYER'S QUALIFICATION FOR A  
6 TAX CREDIT UNDER THIS SECTION BY FEBRUARY 15 FOR TAX CREDITS  
7 EARNED DURING A TAXABLE YEAR ENDING IN THE PRIOR CALENDAR  
8 YEAR.

9 (2) THE NOTIFICATION UNDER PARAGRAPH (1) SHALL CONTAIN  
10 THE FOLLOWING:

11 (I) THE NAME, ADDRESS AND TAXPAYER IDENTIFICATION  
12 NUMBER OF THE AIRPORT LAND DEVELOPMENT ZONE EMPLOYER.

13 (II) VERIFICATION THAT THE AIRPORT LAND DEVELOPMENT  
14 ZONE EMPLOYER IS AN AIRPORT LAND DEVELOPMENT ZONE  
15 EMPLOYER LOCATED IN AN AIRPORT LAND DEVELOPMENT ZONE.

16 (III) A FILE PREPARED FOR THE DEPARTMENT OF REVENUE  
17 CONTAINING THE NAMES, ADDRESSES AND SOCIAL SECURITY  
18 NUMBERS OF EACH EMPLOYEE FOR WHICH THE CREDIT IS CLAIMED.

19 (IV) A FILE PREPARED FOR THE DEPARTMENT OF REVENUE  
20 CONTAINING VERIFICATION THAT EACH EMPLOYEE IDENTIFIED IN  
21 SUBPARAGRAPH (III) SPENT AT LEAST 90% OF THE EMPLOYEE'S  
22 WORKING TIME FOR THE AIRPORT LAND DEVELOPMENT ZONE  
23 EMPLOYER AT THE EMPLOYER'S AIRPORT LAND DEVELOPMENT ZONE  
24 LOCATION.

25 (V) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT  
26 OR THE DEPARTMENT OF REVENUE.

27 (3) TO QUALIFY FOR THE CREDIT, THE DEPARTMENT OF REVENUE  
28 MUST CERTIFY THAT THE AIRPORT LAND DEVELOPMENT ZONE EMPLOYER  
29 IS CURRENT WITH ALL TAX LIABILITIES.

30 (4) BY MAY 15 OF EACH YEAR, THE DEPARTMENT SHALL SEND

1 THE AIRPORT LAND DEVELOPMENT ZONE EMPLOYER WHO SUBMITTED THE  
2 NOTIFICATION A CERTIFICATE OF THE AIRPORT LAND DEVELOPMENT  
3 ZONE EMPLOYER'S QUALIFICATION FOR THE CREDIT. THE AIRPORT  
4 LAND DEVELOPMENT ZONE EMPLOYER SHALL PRESENT THE CERTIFICATE  
5 TO THE DEPARTMENT OF REVENUE WHEN FILING THE AIRPORT LAND  
6 DEVELOPMENT ZONE EMPLOYER'S RETURN CLAIMING THE CREDIT.

7 (C) AMOUNT.--THE AMOUNT OF THE TAX CREDIT AN AIRPORT LAND  
8 DEVELOPMENT ZONE EMPLOYER MAY EARN IN ANY TAX YEAR SHALL BE  
9 EQUAL TO \$2,100 FOR EACH FULL-TIME EQUIVALENT EMPLOYEE IN EXCESS  
10 OF THE NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES EMPLOYED BY THE  
11 AIRPORT LAND DEVELOPMENT ZONE EMPLOYER PRIOR TO JANUARY 1, 2021.

12 (D) APPLICATION OF TAX CREDITS.--AN AIRPORT LAND DEVELOPMENT  
13 ZONE EMPLOYER MUST FIRST USE THE AIRPORT LAND DEVELOPMENT ZONE  
14 EMPLOYER'S AIRPORT LAND DEVELOPMENT ZONE TAX CREDIT AGAINST THE  
15 AIRPORT LAND DEVELOPMENT ZONE EMPLOYER'S QUALIFIED TAX  
16 LIABILITY.

17 (D.1) SALE OR ASSIGNMENT OF TAX CREDIT.--

18 (1) IF THE AIRPORT LAND DEVELOPMENT ZONE EMPLOYER IS  
19 ENTITLED TO A CREDIT IN ANY YEAR THAT EXCEEDS THE AIRPORT  
20 LAND DEVELOPMENT ZONE EMPLOYER'S QUALIFIED TAX LIABILITY FOR  
21 THAT YEAR, UPON APPLICATION TO AND APPROVAL BY THE  
22 DEPARTMENT, AN AIRPORT LAND DEVELOPMENT ZONE EMPLOYER THAT  
23 HAS BEEN AWARDED A TAX CREDIT MAY SELL OR ASSIGN, IN WHOLE OR  
24 IN PART, THE TAX CREDIT GRANTED TO THE AIRPORT LAND  
25 DEVELOPMENT ZONE EMPLOYER. THE APPLICATION MUST BE ON THE  
26 FORM REQUIRED BY THE DEPARTMENT AND MUST INCLUDE OR  
27 DEMONSTRATE ALL OF THE FOLLOWING:

28 (I) THE APPLICANT'S NAME AND ADDRESS.

29 (II) A COPY OF THE TAX CREDIT CERTIFICATE PREVIOUSLY  
30 ISSUED BY THE DEPARTMENT.

1           (III) A STATEMENT AS TO WHETHER ANY PART OF THE TAX  
2           CREDIT HAS BEEN APPLIED TO TAX LIABILITY OF THE APPLICANT  
3           AND THE AMOUNT SO APPLIED.

4           (IV) ANY OTHER INFORMATION REQUIRED BY THE  
5           DEPARTMENT.

6           (V) BEFORE AN APPLICATION FOR SALE OR ASSIGNMENT IS  
7           APPROVED, THE DEPARTMENT OF REVENUE MUST FIND THAT THE  
8           APPLICANT HAS FILED ALL REQUIRED STATE TAX REPORTS AND  
9           RETURNS FOR ALL APPLICABLE TAXABLE YEARS AND PAID ANY  
10           BALANCE OF STATE TAX DUE AS DETERMINED AT SETTLEMENT,  
11           ASSESSMENT OR DETERMINATION BY THE DEPARTMENT OF REVENUE.

12           (2) THE DEPARTMENT SHALL REVIEW THE APPLICATION AND, IF  
13           ALL REQUIREMENTS HAVE BEEN MET, APPROVE THE APPLICATION AND  
14           NOTIFY THE DEPARTMENT OF REVENUE.

15           (3) THE PURCHASER OR ASSIGNEE OF ALL OR A PORTION OF AN  
16           AIRPORT LAND DEVELOPMENT ZONE TAX CREDIT UNDER THIS SECTION  
17           SHALL CLAIM THE CREDIT IN THE TAXABLE YEAR IN WHICH THE  
18           PURCHASE OR ASSIGNMENT IS MADE. THE PURCHASER OR ASSIGNEE OF  
19           A TAX CREDIT MAY USE THE TAX CREDIT AGAINST ANY TAX LIABILITY  
20           OF THE PURCHASER OR ASSIGNEE UNDER ARTICLE III, IV, VII, VIII  
21           OR XV, EXCLUDING ANY TAX WITHHELD BY AN EMPLOYER UNDER  
22           ARTICLE III. THE AMOUNT OF THE TAX CREDIT USED MAY NOT EXCEED  
23           75% OF THE PURCHASER'S OR ASSIGNEE'S TAX LIABILITY FOR THE  
24           TAXABLE YEAR. THE PURCHASER OR ASSIGNEE MAY NOT CARRY OVER,  
25           CARRY BACK, OBTAIN A REFUND OF OR ASSIGN THE AIRPORT LAND  
26           DEVELOPMENT ZONE CREDIT. THE PURCHASER OR ASSIGNEE SHALL  
27           NOTIFY THE DEPARTMENT AND THE DEPARTMENT OF REVENUE OF THE  
28           SELLER OR ASSIGNOR OF THE AIRPORT LAND DEVELOPMENT ZONE TAX  
29           CREDIT IN COMPLIANCE WITH PROCEDURES SPECIFIED BY THE  
30           DEPARTMENT.

1 (E) USE AND CARRYFORWARD.--

2 (1) AN AIRPORT LAND DEVELOPMENT ZONE EMPLOYER MAY EARN  
3 THE TAX CREDIT ALLOWED UNDER THIS ARTICLE IN ANY TAX YEAR  
4 BEGINNING IN 2022 AND FOR A PERIOD OF UP TO 10 TAX YEARS  
5 DURING THE 20-YEAR PERIOD BEGINNING JULY 1, 2022, AND ENDING  
6 JUNE 30, 2041.

7 (2) AN AIRPORT LAND DEVELOPMENT ZONE EMPLOYER MAY CARRY  
8 FORWARD FOR UP TO 10 YEARS A TAX CREDIT EARNED UNDER THIS  
9 ARTICLE:

10 (I) WHICH THE AIRPORT LAND DEVELOPMENT ZONE EMPLOYER  
11 IS UNABLE TO USE; OR

12 (II) WHICH THE AIRPORT LAND DEVELOPMENT ZONE  
13 EMPLOYER DOES NOT SELL OR ASSIGN.

14 (3) TAX CREDITS CARRIED FORWARD UNDER PARAGRAPH (2)  
15 SHALL BE USED ON A FIRST-IN, FIRST-OUT BASIS.

16 (F) DUAL-USE PROHIBITED.--EACH YEAR, AN AIRPORT LAND  
17 DEVELOPMENT ZONE EMPLOYER MAY ONLY EARN TAX CREDITS UNDER  
18 SUBSECTION (C) OR (D) OR UNDER THE ACT OF OCTOBER 6, 1998  
19 (P.L.705, NO.92), KNOWN AS THE KEYSTONE OPPORTUNITY ZONE,  
20 KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY  
21 IMPROVEMENT ZONE ACT. AN AIRPORT LAND DEVELOPMENT ZONE EMPLOYER  
22 MAY NOT CLAIM A CREDIT UNDER BOTH THIS SECTION AND ARTICLE  
23 XVIII-B.

24 (G) PASS-THROUGH ENTITIES.--

25 (1) IF AN AIRPORT LAND DEVELOPMENT ZONE EMPLOYER IS A  
26 PASS-THROUGH ENTITY AND HAS AN UNUSED TAX CREDIT UNDER  
27 SUBSECTION (C), (D) OR (E), THE AIRPORT LAND DEVELOPMENT ZONE  
28 EMPLOYER MAY ELECT IN WRITING, ACCORDING TO PROCEDURES  
29 ESTABLISHED BY THE DEPARTMENT OF REVENUE, TO TRANSFER ALL OR  
30 A PORTION OF THE CREDIT TO SHAREHOLDERS, MEMBERS OR PARTNERS

1 IN PROPORTION TO THE SHARE OF THE ENTITY'S DISTRIBUTIVE  
2 INCOME TO WHICH THE SHAREHOLDER, MEMBER OR PARTNER IS  
3 ENTITLED.

4 (2) AN AIRPORT LAND DEVELOPMENT ZONE EMPLOYER THAT IS A  
5 PASS-THROUGH ENTITY AND A SHAREHOLDER, MEMBER OR PARTNER OF  
6 THAT AIRPORT LAND DEVELOPMENT ZONE EMPLOYER MAY NOT BOTH  
7 CLAIM THE AIRPORT LAND DEVELOPMENT ZONE TAX CREDIT EARNED BY  
8 THE AIRPORT LAND DEVELOPMENT ZONE EMPLOYER FOR ANY TAX YEAR.

9 (3) A SHAREHOLDER, MEMBER OR PARTNER OF AN AIRPORT LAND  
10 DEVELOPMENT ZONE EMPLOYER THAT IS A PASS-THROUGH ENTITY TO  
11 WHOM A CREDIT IS TRANSFERRED UNDER THIS SUBSECTION SHALL  
12 IMMEDIATELY CLAIM THE CREDIT IN THE TAXABLE YEAR IN WHICH THE  
13 TRANSFER IS MADE.

14 (H) TRANSFER.--A TAX CREDIT OR TAX CREDIT CARRYFORWARD THAT  
15 AN AIRPORT LAND DEVELOPMENT ZONE EMPLOYER IS ENTITLED TO USE MAY  
16 BE TRANSFERRED TO A SUCCESSOR ENTITY OF THE AIRPORT LAND  
17 DEVELOPMENT ZONE EMPLOYER.

18 (I) PENALTIES.--THE FOLLOWING APPLY:

19 (1) A COMPANY WHICH RECEIVES AIRPORT LAND DEVELOPMENT  
20 ZONE TAX CREDITS AND FAILS TO SUBSTANTIALLY MAINTAIN THE  
21 OPERATIONS RELATED TO THE AIRPORT LAND DEVELOPMENT ZONE TAX  
22 CREDITS IN THIS COMMONWEALTH FOR A PERIOD OF FIVE YEARS FROM  
23 THE DATE THE COMPANY FIRST SUBMITS AN AIRPORT LAND  
24 DEVELOPMENT ZONE TAX CREDIT CERTIFICATE TO THE DEPARTMENT OF  
25 REVENUE SHALL BE REQUIRED TO REFUND TO THE COMMONWEALTH THE  
26 TOTAL AMOUNT OF CREDITS GRANTED.

27 (2) THE DEPARTMENT MAY WAIVE THE PENALTY UNDER PARAGRAPH  
28 (1) IF IT IS DETERMINED THAT A COMPANY'S OPERATIONS WERE NOT  
29 MAINTAINED OR THE NEW JOBS WERE NOT CREATED BECAUSE OF  
30 CIRCUMSTANCES BEYOND THE COMPANY'S CONTROL. CIRCUMSTANCES

1 SHALL INCLUDE NATURAL DISASTERS, UNFORESEEN INDUSTRY TRENDS  
2 OR A LOSS OF A MAJOR SUPPLIER OR MARKET.

3 ARTICLE XIX-I

4 PENNSYLVANIA CHILD AND DEPENDENT

5 CARE ENHANCEMENT PROGRAM

6 SECTION 1901-I. SCOPE OF ARTICLE.

7 THIS ARTICLE RELATES TO THE PENNSYLVANIA CHILD AND DEPENDENT  
8 CARE ENHANCEMENT TAX CREDIT PROGRAM.

9 SECTION 1902-I. DEFINITIONS.

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

13 "APPLICABLE PERCENT." AS DEFINED IN SECTION 21(A)(2) OF THE  
14 INTERNAL REVENUE CODE OF 1986 IN EFFECT FOR THE TAXABLE YEAR  
15 BEGINNING AFTER DECEMBER 31, 2021, AND ENDING BEFORE JANUARY 1,  
16 2023.

17 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

18 "EMPLOYMENT-RELATED EXPENSES." AS DEFINED IN SECTION 21(B)  
19 (2) OF THE INTERNAL REVENUE CODE OF 1986.

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

22 "QUALIFYING INDIVIDUAL." AS DEFINED IN SECTION 21(B)(1) OF  
23 THE INTERNAL REVENUE CODE OF 1986.

24 "RESIDENT INDIVIDUAL." AS DEFINED IN SECTION 301.

25 "SECTION 21 OF THE INTERNAL REVENUE CODE OF 1986." SECTION  
26 21 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26  
27 U.S.C. § 21).

28 "TAXPAYER." A RESIDENT INDIVIDUAL SUBJECT TO THE TAX IMPOSED  
29 UNDER ARTICLE III.

30 "TAX CREDIT." THE PENNSYLVANIA CHILD AND DEPENDENT CARE

1 ENHANCEMENT TAX CREDIT PROVIDED FOR UNDER THIS ARTICLE.  
2 "TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED UNDER  
3 ARTICLE III, EXCLUDING ANY TAX WITHHELD BY AN EMPLOYER UNDER  
4 ARTICLE III.  
5 SECTION 1903-I. CREDIT FOR CHILD AND DEPENDENT CARE EMPLOYMENT-  
6 RELATED EXPENSES.  
7 (A) TAX CREDIT.--FOR TAXABLE YEARS BEGINNING AFTER DECEMBER  
8 31, 2021, A TAXPAYER WHO RECEIVES A CREDIT UNDER SECTION 21 OF  
9 THE INTERNAL REVENUE CODE OF 1986 MAY CLAIM A TAX CREDIT AGAINST  
10 THE TAXPAYER'S TAX LIABILITY.  
11 (B) AMOUNT OF TAX CREDIT.--THE AMOUNT OF THE TAX CREDIT  
12 UNDER SUBSECTION (A) SHALL BE EQUAL TO 30% OF:  
13 (1) THE ACTUAL AMOUNT OF EMPLOYMENT-RELATED EXPENSES  
14 INCURRED BY THE TAXPAYER AND CLAIMED FOR THE FEDERAL TAX  
15 CREDIT UNDER SECTION 21 OF THE INTERNAL REVENUE CODE OF 1986  
16 DURING THE PRIOR TAXABLE YEAR, OR THE FOLLOWING, AS  
17 APPLICABLE, WHICHEVER IS LESS:  
18 (I) \$3,000 FOR ONE QUALIFYING INDIVIDUAL WITH  
19 RESPECT TO THE TAXPAYER; OR  
20 (II) \$6,000 FOR TWO OR MORE QUALIFYING INDIVIDUALS  
21 WITH RESPECT TO THE TAXPAYER; MULTIPLIED BY  
22 (2) THE APPLICABLE PERCENT, WITH RESPECT TO THE  
23 TAXPAYER, IN EFFECT FOR THE TAXABLE YEAR BEGINNING AFTER  
24 DECEMBER 31, 2021, AND ENDING BEFORE JANUARY 1, 2023.  
25 (C) CLAIM OF TAX CREDIT.--A TAXPAYER SHALL CLAIM A TAX  
26 CREDIT UNDER THIS SECTION ON A RETURN FILED UNDER SECTION 330.  
27 (D) APPLICABILITY OF TAX CREDIT.--THE TAX CREDIT UNDER THIS  
28 SECTION SHALL BE APPLIED AGAINST THE TAXPAYER'S TAX LIABILITY.  
29 IF THE TAX CREDIT EXCEEDS THE TAXPAYER'S TAX LIABILITY, THE  
30 DEPARTMENT MAY ISSUE A REFUND UNDER THE PROCEDURES SET FORTH IN



1 SECTION 346.

2 SECTION 1904-I. PROHIBITIONS.

3 THE FOLLOWING APPLY:

4 (1) A TAXPAYER IS NOT ENTITLED TO CARRY OVER, CARRY BACK  
5 OR SELL, ASSIGN OR TRANSFER A TAX CREDIT UNDER THIS ARTICLE.

6 (2) A TAXPAYER MAY NOT CLAIM A TAX CREDIT FOR THE SAME  
7 EMPLOYMENT-RELATED EXPENSES USED TO CLAIM A TAX CREDIT ON A  
8 RETURN FILED BY ANOTHER TAXPAYER.

9 SECTION 1905-I. APPLICATION OF INTERNAL REVENUE CODE OF 1986.

10 THE PROVISIONS OF SECTION 21 OF THE INTERNAL REVENUE CODE OF  
11 1986 IN EFFECT AS OF THE EFFECTIVE DATE OF THIS SECTION AND ANY  
12 FEDERAL REGULATIONS PROMULGATED REGARDING THOSE PROVISIONS SHALL  
13 APPLY TO THE DEPARTMENT'S INTERPRETATION AND ADMINISTRATION OF  
14 THE TAX CREDIT PROVIDED FOR UNDER THIS ARTICLE.

15 SECTION 1906-I. DEPARTMENTAL DUTIES.

16 THE DEPARTMENT SHALL PUBLISH GUIDELINES AND MAY PROMULGATE  
17 REGULATIONS NECESSARY FOR THE IMPLEMENTATION AND ADMINISTRATION  
18 OF THIS ARTICLE.

19 SECTION 1907-I. REPORT TO GENERAL ASSEMBLY.

20 (A) ANNUAL REPORT.--NO LATER THAN MARCH 1, 2024, AND EACH  
21 MARCH 1 THEREAFTER, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE  
22 GENERAL ASSEMBLY INDICATING THE EFFECTIVENESS OF THE TAX CREDIT  
23 UNDER THIS ARTICLE.

24 (B) INFORMATION REQUIRED.--THE REPORT REQUIRED UNDER  
25 SUBSECTION (A) SHALL INCLUDE, BUT NOT BE LIMITED TO, THE  
26 FOLLOWING INFORMATION:

27 (1) THE NUMBER OF TAX CREDITS APPROVED UNDER THIS  
28 ARTICLE.

29 (2) THE AMOUNT OF TAX CREDITS APPROVED UNDER THIS  
30 ARTICLE.

1           (3) THE AMOUNT OF TAX CREDITS CLAIMED UNDER THIS  
2           ARTICLE.

3           (4) THE AMOUNT OF TAX CREDITS REFUNDED UNDER THIS  
4           ARTICLE.

5           SECTION 15.1. SECTION 2111 OF THE ACT IS AMENDED BY ADDING A  
6 SUBSECTION TO READ:

7           SECTION 2111. TRANSFERS NOT SUBJECT TO TAX.-- (A) THE  
8 TRANSFERS ENUMERATED IN THIS SECTION ARE NOT SUBJECT TO THE TAX  
9 IMPOSED BY THIS ARTICLE.

10           \* \* \*

11           (U) THE TRANSFER OF PERSONAL PROPERTY, WHETHER TANGIBLE OR  
12 INTANGIBLE, THAT IS THE RESULT OF A DECEDENT MILITARY MEMBER.

13           (1) FOR PURPOSES OF THIS SUBSECTION, THE TERM "DECEDENT  
14 MILITARY MEMBER" SHALL MEAN AN INDIVIDUAL WHO, WHILE SERVING IN  
15 THE ARMED FORCES, A RESERVE COMPONENT OR THE NATIONAL GUARD OF  
16 THE UNITED STATES, DIED AS A RESULT OF INJURY OR ILLNESS  
17 RECEIVED WHILE ON ACTIVE DUTY, INCLUDING ACTIVE DUTY FOR  
18 TRAINING.

19           (2) THE TERM SHALL INCLUDE BOTH FEDERAL AND STATE ACTIVE  
20 DUTY AS EVIDENCED BY OFFICIAL ACTIVATION ORDER.

21           SECTION 16. SECTION 2301(E.1) OF THE ACT IS AMENDED TO READ:

22           SECTION 2301. PUBLIC TRANSPORTATION ASSISTANCE FUND.--\* \* \*

23           (E.1) (1) THERE IS HEREBY IMPOSED ON EACH RENTAL OF A MOTOR  
24 VEHICLE SUBJECT TO TAX UNDER ARTICLE II AND USED IN CARSHARING,  
25 A PEER-TO-PEER CAR-SHARING PROGRAM OR CAR SHARING BY A SHARED  
26 VEHICLE OWNER A FEE FOR EACH DAY OR PART OF A DAY COMPUTED  
27 ACCORDING TO THE FOLLOWING SCHEDULE:

28	RENTAL INTERVAL	FEE
29	LESS THAN 2 HOURS	\$0.25
30	2 TO 3 HOURS	\$0.50

1 MORE THAN 3, BUT LESS  
2 THAN [4] 6 HOURS \$1.25  
3 [4] 6 HOURS OR MORE \$2.00

4 (2) FOR PURPOSES OF THIS SUBSECTION, THE TERM "CARSHARING"  
5 SHALL MEAN A MEMBERSHIP-BASED SERVICE THAT PROVIDES AN  
6 ALTERNATIVE TO PERSONAL CAR OWNERSHIP AND WHICH MEETS THE  
7 FOLLOWING CONDITIONS:

8 (I) DOES NOT REQUIRE A TRIP-SPECIFIC WRITTEN AGREEMENT EACH  
9 TIME A MEMBER RENTS A VEHICLE.

10 (II) DOES NOT REQUIRE AN ATTENDANT TO BE PRESENT AT THE  
11 BEGINNING OR END OF A RENTAL.

12 (III) OFFERS MEMBERS ACCESS TO A DISPERSED NETWORK OF SHARED  
13 VEHICLES 24 HOURS PER DAY, 7 DAYS PER WEEK, 365 DAYS PER YEAR.

14 (IV) ALLOWS A VEHICLE TO BE RENTED ON A PER MINUTE, PER  
15 HOUR, PER DAY, OR PER TRIP BASIS, AND AT PER MILE OR PER  
16 KILOMETER RATES, WHICH TYPICALLY INCLUDE FUEL, INSURANCE AND  
17 MAINTENANCE.

18 (3) FOR PURPOSES OF THIS SUBSECTION:

19 (I) THE TERM "PEER-TO-PEER CAR-SHARING PROGRAM" SHALL BE AS  
20 DEFINED IN SECTION 201(OOO).

21 (II) THE TERM "SHARED VEHICLE OWNER" SHALL BE AS DEFINED IN  
22 SECTION 201(UUU).

23 SECTION 17. THE ACT IS AMENDED BY ADDING A SECTION TO READ:  
24 SECTION 2502.1. GENERAL FUND DEPOSIT.

25 NOTWITHSTANDING 4 PA.C.S. § 13A62(C) (RELATING TO TABLE GAME  
26 TAXES), BEGINNING ON JULY 1, 2022, THE TAX IMPOSED UNDER SECTION  
27 2502 AND THE TAX IMPOSED UNDER 4 PA.C.S. § 13A62(A) SHALL BE  
28 DEPOSITED INTO THE GENERAL FUND.

29 SECTION 18. THE DEFINITION OF "QUALIFICATION PERIOD" IN  
30 SECTION 2901-D OF THE ACT IS AMENDED TO READ:

1 SECTION 2901-D. DEFINITIONS.

2 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
3 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
4 CONTEXT CLEARLY INDICATES OTHERWISE:

5 \* \* \*

6 "QUALIFICATION PERIOD." [AS] EXCEPT AS PROVIDED UNDER  
7 SECTIONS 2931-D(D), 2935-D(B) AND 2937-D(C), AS FOLLOWS:

8 (1) WITH RESPECT TO THE OWNER OR OPERATOR OF A COMPUTER  
9 DATA CENTER CERTIFIED UNDER THIS ARTICLE, A PERIOD OF TIME  
10 BEGINNING ON THE DATE OF CERTIFICATION OF THE COMPUTER DATA  
11 CENTER AND EXPIRING AT THE END OF THE FIFTEENTH FULL CALENDAR  
12 YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE OWNER OR  
13 OPERATOR FILED AN APPLICATION FOR CERTIFICATION.

14 (2) WITH RESPECT TO A QUALIFIED TENANT OF THE OWNER OR  
15 OPERATOR OF A COMPUTER DATA CENTER CERTIFIED UNDER THIS  
16 ARTICLE, A PERIOD OF TIME BEGINNING ON THE DATE THAT THE  
17 QUALIFIED TENANT ENTERS INTO AN AGREEMENT CONCERNING THE USE  
18 OR OCCUPANCY OF THE COMPUTER DATA CENTER AND EXPIRING AT THE  
19 EARLIER OF THE EXPIRATION OF THE TERM OF THE AGREEMENT OR THE  
20 END OF THE 10TH FULL CALENDAR YEAR FOLLOWING THE CALENDAR  
21 YEAR IN WHICH THE QUALIFIED TENANT ENTERS INTO THE AGREEMENT.

22 \* \* \*

23 SECTION 19. SECTION 2931-D OF THE ACT IS AMENDED BY ADDING A  
24 SUBSECTION TO READ:

25 SECTION 2931-D. SALES AND USE TAX EXEMPTION.

26 \* \* \*

27 (D) DEFINITION.--AS USED IN THIS SECTION, THE TERM  
28 "QUALIFICATION PERIOD" SHALL MEAN THE FOLLOWING:

29 (1) WITH RESPECT TO THE OWNER OR OPERATOR OF A COMPUTER  
30 DATA CENTER CERTIFIED UNDER THIS ARTICLE, A PERIOD OF TIME

1 BEGINNING ON THE DATE OF CERTIFICATION OF THE COMPUTER DATA  
2 CENTER AND EXPIRING AT THE END OF THE 25TH FULL CALENDAR YEAR  
3 FOLLOWING THE CALENDAR YEAR IN WHICH THE OWNER OR OPERATOR  
4 FILED AN APPLICATION FOR CERTIFICATION.

5 (2) WITH RESPECT TO A QUALIFIED TENANT OF THE OWNER OR  
6 OPERATOR OF A COMPUTER DATA CENTER CERTIFIED UNDER THIS  
7 ARTICLE, A PERIOD OF TIME BEGINNING ON THE DATE THAT THE  
8 QUALIFIED TENANT ENTERS INTO AN AGREEMENT CONCERNING THE USE  
9 OR OCCUPANCY OF THE COMPUTER DATA CENTER AND EXPIRING AT THE  
10 EARLIER OF THE EXPIRATION OF THE TERM OF THE AGREEMENT OR THE  
11 END OF THE 10TH FULL CALENDAR YEAR FOLLOWING THE CALENDAR  
12 YEAR IN WHICH THE QUALIFIED TENANT ENTERS INTO THE AGREEMENT.

13 SECTION 20. SECTIONS 2935-D(B) AND 2937-D(C) OF THE ACT,  
14 ADDED JUNE 30, 2021 (P.L.124, NO.25), ARE AMENDED TO READ:  
15 SECTION 2935-D. ELIGIBILITY REQUIREMENTS.

16 \* \* \*

17 (B) PRIOR APPLICATIONS.--A COMPUTER DATA CENTER THAT HAS MET  
18 THE ELIGIBILITY REQUIREMENTS AS PRESCRIBED UNDER SECTION 2915-D  
19 AND HAS, PRIOR TO JULY 1, 2021, BEEN CERTIFIED UNDER SECTION  
20 2913-D SHALL BE DEEMED TO MEET THE CERTIFICATION REQUIREMENTS OF  
21 THIS SECTION. THE CERTIFICATION SHALL NOT BE REVOKED, EXCEPT AS  
22 PROVIDED UNDER SECTION 2917-D, AND SHALL REMAIN IN EFFECT FOR  
23 THE REMAINDER OF THE QUALIFICATION PERIOD, AS DEFINED IN SECTION  
24 2931-D(D).

25 \* \* \*

26 SECTION 2937-D. REVOCATION OF CERTIFICATION.

27 \* \* \*

28 (C) RECAPTURE.--IF CERTIFICATION IS REVOKED UNDER THIS  
29 SECTION, THE QUALIFICATION PERIOD, AS DEFINED IN SECTION 2931-  
30 D(D), OF ANY OWNER OR OPERATOR OR QUALIFIED TENANT OF THE

1 COMPUTER DATA CENTER SHALL EXPIRE AND THE DEPARTMENT MAY  
2 RECAPTURE FROM THE OWNER OR OPERATOR OR QUALIFIED TENANT ALL OR  
3 PART OF THE TAX EXEMPTION RECEIVED BY THE OWNER OR OPERATOR OR  
4 QUALIFIED TENANT UNDER SECTION 2942-D. THE DEPARTMENT MAY GIVE  
5 SPECIAL CONSIDERATION OR ALLOW A TEMPORARY EXEMPTION FROM  
6 RECAPTURE OF THE TAX EXEMPTION IF THERE IS EXTRAORDINARY  
7 HARDSHIP DUE TO FACTORS BEYOND THE CONTROL OF THE OWNER OR  
8 OPERATOR OR QUALIFIED TENANT. THE DEPARTMENT MAY REQUIRE THE  
9 OWNER OR OPERATOR OR QUALIFIED TENANT TO FILE APPROPRIATE  
10 AMENDED TAX RETURNS IN ORDER TO REFLECT ANY RECAPTURE OF THE TAX  
11 EXEMPTION.

12 \* \* \*

13 SECTION 21. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

14 SECTION 3003.25. ALLOCATION OF TAX CREDITS.-- (A)  
15 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE AMOUNT OF  
16 TAX CREDITS THAT MAY BE AWARDED FOR TAX CREDIT PROGRAMS  
17 SPECIFIED UNDER THIS SUBSECTION SHALL REMAIN AT THE AMOUNT  
18 ALLOCATED FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2022, AND  
19 ENDING BEFORE JULY 1, 2025:

20 (1) ARTICLE XVII-B.

21 (2) SUBARTICLE B OF ARTICLE XVII-D.

22 (2.1) SUBARTICLE E OF ARTICLE XVII-D.

23 (3) ARTICLE XVII-K.

24 (B) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE  
25 AMOUNT OF TAX CREDIT EARNED FOR EACH FULL-TIME EQUIVALENT  
26 EMPLOYEE UNDER ARTICLE XIX-H SHALL REMAIN AT THE AMOUNT SPECIFIED  
27 UNDER SECTION 1904-H(C) FOR FISCAL YEARS BEGINNING AFTER JUNE  
28 30, 2022, AND ENDING BEFORE JULY 1, 2025.

29 SECTION 22. REPEALS ARE AS FOLLOWS:

30 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER

1 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF  
2 SECTION 303(A.7) (5) AND (6) OF THE ACT.

3 (2) SECTION 104-A OF THE ACT OF APRIL 9, 1929 (P.L.343,  
4 NO.176), KNOWN AS THE FISCAL CODE, IS REPEALED.

5 (3) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
6 PARAGRAPH (4) IS NECESSARY TO EFFECTUATE THE ADDITION OF  
7 SECTION 2502.1 OF THE ACT.

8 (4) 4 PA.C.S. § 13A62(C) IS REPEALED.

9 (5) THE DEFINITION OF "FUND" IN SECTION 702 OF THE ACT  
10 OF DECEMBER 18, 1984 (P.L.1005, NO.205), KNOWN AS THE  
11 MUNICIPAL PENSION PLAN FUNDING STANDARD AND RECOVERY ACT, IS  
12 REPEALED TO THE EXTENT IT IS INCONSISTENT WITH THE PROVISIONS  
13 OF THIS ACT.

14 (6) SECTION 702 OF THE ACT OF DECEMBER 14, 1988  
15 (P.L.1192, NO.147), KNOWN AS THE SPECIAL AD HOC MUNICIPAL  
16 POLICE AND FIREFIGHTER POSTRETIREMENT ADJUSTMENT ACT, AND ALL  
17 ACTS OR PARTS OF ACTS INCONSISTENT WITH THE AMENDMENT OF  
18 SECTIONS 902, 902.1(D) AND 1805-F(C), ARE REPEALED TO THE  
19 EXTENT THEY ARE INCONSISTENT WITH THE AMENDMENT OF SECTIONS  
20 902, 902.1(D) AND 1805-F(C).

21 SECTION 23. THE ADDITION OF SECTION 303(A.7) (5) AND (6) OF  
22 THE ACT ARE A CONTINUATION OF SECTION 104-A OF THE ACT OF APRIL  
23 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE. EXCEPT AS  
24 PROVIDED IN SECTION 303(A.7) (5) AND (6) OF THE ACT, ALL  
25 ACTIVITIES INITIATED UNDER SECTION 104-A OF THE FISCAL CODE  
26 SHALL CONTINUE AND REMAIN IN FULL FORCE AND EFFECT AND MAY BE  
27 COMPLETED UNDER SECTION 303(A.7) (5) AND (6) OF THE ACT. ORDERS,  
28 REGULATIONS, RULES AND DECISIONS WHICH WERE MADE UNDER SECTION  
29 104-A OF THE FISCAL CODE AND WHICH ARE IN EFFECT ON THE  
30 EFFECTIVE DATE OF SECTION 303(A.7) (5) AND (6) OF THIS ACT SHALL

1 REMAIN IN FULL FORCE AND EFFECT UNTIL REVOKED, VACATED OR  
2 MODIFIED UNDER SECTION 303(A.7) (5) AND (6) OF THE ACT.  
3 CONTRACTS, OBLIGATIONS AND COLLECTIVE BARGAINING AGREEMENTS  
4 ENTERED INTO UNDER SECTION 104-A OF THE FISCAL CODE ARE NOT  
5 AFFECTED NOR IMPAIRED BY THE REPEAL OF SECTION 104-A OF THE  
6 FISCAL CODE.

7 SECTION 24. THE FOLLOWING SHALL APPLY:

8 (1) THE AMENDMENT OF SECTION 303(A.3) OF THE ACT SHALL  
9 APPLY TO PROPERTY PLACED IN SERVICE IN TAX YEARS BEGINNING  
10 AFTER DECEMBER 31, 2022.

11 (2) THE AMENDMENT OF SECTION 303(A.5) OF THE ACT SHALL  
12 APPLY TO TRANSACTIONS OCCURRING IN TAX YEARS BEGINNING AFTER  
13 DECEMBER 31, 2022.

14 (2.1) THE ADDITION OF SECTION 2111(U) OF THE ACT SHALL  
15 APPLY TO INHERITANCE TAX IMPOSED AS TO A DECEDENT WHOSE DATE  
16 OF DEATH IS AFTER THE EFFECTIVE DATE OF THIS SECTION.

17 (3) THE FOLLOWING SECTIONS SHALL APPLY TO TAXABLE YEARS  
18 BEGINNING AFTER DECEMBER 31, 2022:

19 (I) THE AMENDMENT OR ADDITION OF SECTION 401(3)2(A)  
20 (17) OF THE ACT.

21 (II) THE ADDITION OF SECTION 402(A) (5) AND (6) OF  
22 THE ACT.

23 (4) THE FOLLOWING SECTIONS SHALL APPLY TO FISCAL YEARS  
24 BEGINNING AFTER JUNE 30, 2022:

25 (I) THE AMENDMENT OF SECTION 902 OF THE ACT.

26 (II) THE AMENDMENT OF SECTION 902.1(D) OF THE ACT.

27 (III) THE AMENDMENT OF SECTION 1709-B OF THE ACT.

28 (IV) THE AMENDMENT OF SECTION 1711-D OF THE ACT.

29 (V) THE ADDITION OF SECTION 1712-D(B) (5.1) AND (7.2)  
30 OF THE ACT.



1 (VI) THE AMENDMENT OF SECTION 1712-D(B) (7.1) OF THE  
2 ACT.

3 (VII) THE AMENDMENT OF SECTION 1716-D(A) OF THE ACT.

4 (VIII) THE AMENDMENT OF SECTION 1716.1-D(A) (4) OF  
5 THE ACT.

6 (IX) THE AMENDMENT OF SECTION 1777-D(A) (1) OF THE  
7 ACT.

8 (X) THE AMENDMENT OF SECTION 1708-K(4) OF THE ACT.

9 (XI) THE AMENDMENT OF SECTION 1809-C(C) (2) OF THE  
10 ACT.

11 (XII) THE AMENDMENT OF SECTION 1813-C(A) (1.1) OF THE  
12 ACT.

13 (XIII) THE AMENDMENT OF SECTION 1805-F(C) OF THE  
14 ACT.

15 (XIV) THE ADDITION OF ARTICLE XIX-H OF THE ACT.

16 (XV) THE ADDITION OF ARTICLE XIX-I OF THE ACT.

17 (XVI) THE ADDITION OF SECTION 3003.25 OF THE ACT.

18 SECTION 25. THE ADDITION OF SECTION 2502.1 SHALL APPLY  
19 RETROACTIVELY TO JULY 1, 2022.

20 SECTION 26. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

21 (1) THE FOLLOWING SHALL TAKE EFFECT JANUARY 1, 2023:

22 (I) THE AMENDMENT OR ADDITION OF SECTION 201(B),  
23 (I), (K), (N), (O), (P), (NNN), (OOO), (PPP), (QQQ),  
24 (RRR), (SSS), (TTT) AND (UUU) OF THE ACT.

25 (II) THE AMENDMENT OF SECTIONS 208(A) AND 2301(E.1)  
26 OF THE ACT.

27 (2) THE ADDITION OF SECTION 2111(U) OF THE ACT SHALL  
28 TAKE EFFECT IN 60 DAYS.

29 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT  
30 IMMEDIATELY.