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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1980 Session of  
2024

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INTRODUCED BY CONKLIN, BOROWSKI, BURGOS, CERRATO, HILL-EVANS,  
KINSEY, MADDEN, SANCHEZ AND FLEMING, JANUARY 31, 2024

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REFERRED TO COMMITTEE ON FINANCE, JANUARY 31, 2024

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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," providing for a disaster hotel stay tax credit.

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

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
14 the Tax Reform Code of 1971, is amended by adding an article to  
15 read:

16 ARTICLE XIX-J

17 DISASTER HOTEL STAY TAX CREDIT

18 Section 1901-J. Scope of article.

19 This article establishes the disaster hotel stay tax credit  
20 program.

21 Section 1902-J. Definitions.

22 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 "Beneficiary." A resident of this Commonwealth whose primary  
4 residence was affected by a disaster to whom a qualified hotel  
5 provides a discount. The term shall not include a resident of  
6 this Commonwealth for whom housing was made available, as a  
7 result of a disaster, through a Federal or State disaster relief  
8 program.

9 "Disaster." A man-made disaster or natural disaster that  
10 represents a direct and immediate threat to the primary  
11 residence of a beneficiary, such that the primary residence is  
12 rendered uninhabitable or inaccessible.

13 "Discount." A discount of not more than 100% on the rental  
14 of a room provided to a beneficiary by a qualified hotel.

15 "Man-made disaster." An industrial, nuclear or  
16 transportation accident, sinkhole, explosion, conflagration,  
17 power failure, natural resource shortage or other condition,  
18 except enemy action, resulting from man-made causes, including  
19 oil spills and other environmental contamination, which  
20 threatens or causes substantial damage to property or  
21 individuals, loss of life or other hardships.

22 "Natural disaster." A hurricane, tornado, storm, flood, high  
23 water, wind-driven water, tidal wave, earthquake, landslide,  
24 mudslide, snowstorm, drought, fire, sinkhole, explosion or other  
25 catastrophe not resulting from a man-made cause which threatens  
26 or causes substantial damage to property or individuals,  
27 possible loss of life or other hardships.

28 "Qualified hotel." A hotel, as defined in section 209, that  
29 is located in this Commonwealth and that provides a discount.

30 "Qualifying tax liability." A tax paid by a qualifying hotel

1 under section 209.

2 "Rent." As defined in section 209.

3 "Tax credit." A tax credit under this article.

4 Section 1903-J. Tax credit.

5 (a) Eligibility.--A qualified hotel that provides a discount  
6 shall be eligible for a tax credit equal to 100% of the discount  
7 provided.

8 (b) Limitation.--A qualified hotel may receive a tax credit  
9 for a discount for not more than 90 nights per room rented by a  
10 beneficiary.

11 Section 1904-J. Procedure.

12 (a) Application.--

13 (1) A qualified hotel may apply to the department for a  
14 tax credit.

15 (2) The application must be submitted to the department  
16 by March 31 for the tax credit claimed for a discount  
17 provided to a beneficiary during the prior calendar year.

18 (3) The application must be on a form and in the manner  
19 determined by the department and must include the following:

20 (i) certification under subsection (b);

21 (ii) information required by the department to  
22 verify that the applicant is a qualified hotel; and

23 (iii) any other information as the department deems  
24 appropriate.

25 (b) Certification.--A beneficiary must certify, on a form  
26 and in the manner determined by the department, that the  
27 beneficiary's primary residence was directly and immediately  
28 threatened by a man-made disaster or natural disaster.

29 (c) Review and approval.--

30 (1) The department shall review each application and

1 shall issue an approval or disapproval by December 31 of each  
2 year.

3 (2) Upon approval, the department shall issue a  
4 certificate stating the amount of tax credit granted for  
5 discounts provided in the prior calendar year.

6 Section 1905-J. Carryover, carry back, refund and assignment of  
7 tax credit.

8 (a) Use.--A tax credit shall first be applied against the  
9 qualifying tax liability of the hotel during the tax year in  
10 which the qualified hotel provided a discount.

11 (b) Carryover.--If the qualified hotel cannot use the entire  
12 amount of the tax credit during the taxable year in which the  
13 qualified hotel provided a discount, the excess may be carried  
14 over to succeeding taxable years and used as a credit against  
15 the qualifying tax liability of the qualified hotel for those  
16 taxable years. Each time that the tax credit is carried over to  
17 a succeeding taxable year, the tax credit shall be reduced by  
18 the amount that was used as a credit during the immediately  
19 preceding taxable year. The tax credit may be carried over and  
20 applied to succeeding taxable years for no more than five  
21 taxable years following the first taxable year for which the  
22 qualified hotel was entitled to claim the tax credit.

23 (c) Carryback and refund.--A qualified hotel may not carry  
24 back nor obtain a refund of an unused tax credit.

25 (d) Sale or assignment.--A qualified hotel may not sell nor  
26 assign a tax credit granted to the qualified hotel.

27 Section 1906-J. Regulations.

28 (a) Promulgation.--The department may promulgate regulations  
29 to implement and administer this article. The regulations may  
30 provide additional guidance as to what constitutes a disaster.

1 (b) Guidelines.--The department shall develop written  
2 guidelines for the implementation of this article. The  
3 guidelines shall be in effect until the department promulgates  
4 regulations for the implementation of this article.

5 Section 1907-J. Report.

6 The department shall, by March 31 of the succeeding year,  
7 issue a report on the costs of the tax credit to the Governor,  
8 the President pro tempore of the Senate, the Majority Leader and  
9 Minority Leader of the Senate, the Speaker of the House of  
10 Representatives and the Majority Leader and Minority Leader of  
11 the House of Representatives.

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