

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 246 Session of 2013

INTRODUCED BY PETRI, D. COSTA, GROVE, LONGIETTI, MICOZZIE AND GABLER, JANUARY 23, 2013

REFERRED TO COMMITTEE ON FINANCE, JANUARY 23, 2013

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 malt beverage tax, further providing for
 11 limited tax credits.

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

14 Section 1. Section 2010 of the act of March 4, 1971 (P.L.6,
 15 No.2), known as the Tax Reform Code of 1971, amended December
 16 23, 2003, (P.L.250, No.46), is amended to read:

17 Section 2010. Limited Tax Credits.--(a) The General
 18 Assembly of the Commonwealth, conscious of the financial
 19 pressures facing small brewers in Pennsylvania and the attendant
 20 risk of business failure and loss of employment opportunity,
 21 declares it public policy that renewal and improvement of small
 22 brewers be encouraged and assisted by a limited tax subsidy to

1 be granted during the period set forth in this section.

2 (b) As used in this section:

3 "Amounts paid." The phrase means (i) amounts actually paid,
4 or (ii) at the taxpayer's election, amounts promised to be paid
5 under firm purchase contracts actually executed during any
6 calendar year falling within the effective period of this
7 section: Provided, however, That there shall be no duplication
8 of "amounts paid" under this definition.

9 "Effective period." The period from January 1, 1974, to
10 December 31, 2008, and the period from January 1, 2013, to
11 December 31, 2013, inclusive.

12 "Qualifying capital expenditures." Amounts paid by a
13 taxpayer during the effective period of this section for the
14 purchase of items of plant, machinery or equipment for use by
15 the taxpayer within this Commonwealth in the manufacture and
16 sale of malt or brewed beverages: Provided, however, That the
17 total amount of qualifying capital expenditures made by a
18 taxpayer within a single calendar year shall not exceed two
19 hundred thousand dollars (\$200,000).

20 "Secretary." The Secretary of Revenue of the Commonwealth of
21 Pennsylvania where not otherwise qualified.

22 "Taxpayer." A manufacturer of malt or brewed beverages
23 claiming a tax credit or credits under this section and having
24 an annual production of malt or brewed beverages that does not
25 exceed one million five hundred thousand (1,500,000) barrels.

26 (c) A tax credit or credits shall be allowed for each
27 calendar year to a taxpayer, as hereinafter provided, not to
28 exceed in total amount the amount of qualifying capital
29 expenditures made by the taxpayer and certified by the
30 secretary.

1 (d) A taxpayer desiring to claim a tax credit or credits
2 under this section shall, within one year of the date of the
3 original purchase of the qualifying capital expenditures, in
4 accordance with regulations promulgated by the secretary, report
5 annually to the secretary the nature, amounts and dates of
6 qualifying capital expenditures made by him and such other
7 information as the secretary shall require. If satisfied as to
8 the correctness of such a report, the secretary shall issue to
9 the taxpayer a certificate establishing the amount of qualifying
10 capital expenditures made by the taxpayer and included within
11 said report. The taxpayer shall also provide to the secretary
12 the number of employes, total production of malt or brewed
13 beverages and the amount of capital expenditures made by the
14 taxpayer at each location operated by the taxpayer or a parent
15 corporation, subsidiary, joint venture or affiliate. Also, the
16 taxpayer shall notify the secretary of any contract for
17 production held with another manufacturer. The secretary shall
18 file a report annually with the Chief Clerk of the House of
19 Representatives and with the Secretary of the Senate outlining
20 the employment, production, expenditures and tax credits
21 authorized under this section.

22 (e) Upon receipt from a taxpayer of a certificate from the
23 secretary issued under subsection (c), the Secretary of Revenue
24 shall grant a tax credit or credits in the amount certified
25 against any tax due under this article in the calendar year in
26 which the expenditures were incurred or against any tax becoming
27 due from the taxpayer under this article in the following three
28 calendar years. No credit shall be allowed against any tax due
29 for any taxable period ending after December 31, [2008] 2013.

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