

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1280 Session of 2024

INTRODUCED BY J. WARD AND PENNYCUICK, JUNE 26, 2024

REFERRED TO FINANCE, JUNE 26, 2024

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled
 2 "An act relating to the finances of the State government;
 3 providing for cancer control, prevention and research, for
 4 ambulatory surgical center data collection, for the Joint
 5 Underwriting Association, for entertainment business
 6 financial management firms, for private dam financial
 7 assurance and for reinstatement of item vetoes; providing for
 8 the settlement, assessment, collection, and lien of taxes,
 9 bonus, and all other accounts due the Commonwealth, the
 10 collection and recovery of fees and other money or property
 11 due or belonging to the Commonwealth, or any agency thereof,
 12 including escheated property and the proceeds of its sale,
 13 the custody and disbursement or other disposition of funds
 14 and securities belonging to or in the possession of the
 15 Commonwealth, and the settlement of claims against the
 16 Commonwealth, the resettlement of accounts and appeals to the
 17 courts, refunds of moneys erroneously paid to the
 18 Commonwealth, auditing the accounts of the Commonwealth and
 19 all agencies thereof, of all public officers collecting
 20 moneys payable to the Commonwealth, or any agency thereof,
 21 and all receipts of appropriations from the Commonwealth,
 22 authorizing the Commonwealth to issue tax anticipation notes
 23 to defray current expenses, implementing the provisions of
 24 section 7(a) of Article VIII of the Constitution of
 25 Pennsylvania authorizing and restricting the incurring of
 26 certain debt and imposing penalties; affecting every
 27 department, board, commission, and officer of the State
 28 government, every political subdivision of the State, and
 29 certain officers of such subdivisions, every person,
 30 association, and corporation required to pay, assess, or
 31 collect taxes, or to make returns or reports under the laws
 32 imposing taxes for State purposes, or to pay license fees or
 33 other moneys to the Commonwealth, or any agency thereof,
 34 every State depository and every debtor or creditor of the
 35 Commonwealth," providing for the Pennsylvania Child Learning

1 Investment Tax Credit Program.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. The act of April 9, 1929 (P.L.343, No.176), known
5 as The Fiscal Code, is amended by adding an article to read:

6 ARTICLE XVI-Y

7 PENNSYLVANIA CHILD LEARNING INVESTMENT

8 TAX CREDIT PROGRAM

9 Section 1601-Y. Scope of article.

10 This article relates to the Pennsylvania Child Learning
11 Investment Tax Credit Program.

12 Section 1602-Y. Definitions.

13 The following words and phrases when used in this article
14 shall have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 "Department." The Department of Revenue of the Commonwealth.

17 "Eligible child." A child of school-age who:

18 (1) has not yet received a high school diploma;

19 (2) currently resides within the attendance boundary of
20 a Pennsylvania public school;

21 (3) is eligible to attend a school district under the
22 act of March 10, 1949 (P.L.30, No.14), known as the Public
23 School Code of 1949; and

24 (4) is not enrolled in a public school for the taxable
25 year.

26 "Nonpublic school." As defined under section 923.3-A of the
27 Public School Code of 1949.

28 "Public school." As defined under section 1101-B of the
29 Public School Code of 1949.

30 "Qualified learning expenses." Expenses incurred by a

1 taxpayer that is a parent or legal guardian of an eligible
2 child, including:

3 (1) tuition and fees at a nonpublic school;

4 (2) textbooks or curriculum materials;

5 (3) fees for after-school or summer education programs
6 provided by a nonpublic school;

7 (4) tutoring;

8 (5) educational software and applications;

9 (6) fees for standardized and nationally recognized
10 tests, including college admissions tests and advanced
11 placement examinations and related preparatory courses;

12 (7) education services for students with disabilities
13 from a licensed or accredited practitioner or education
14 service provider; and

15 (8) contracted services provided by a public school
16 district, including specific classroom instruction.

17 "Tax credit." The Pennsylvania child learning tax credit
18 provided for under this article.

19 "Tax liability." The liability for taxes imposed under
20 Article III of the Tax Reform Code of 1971, excluding any tax
21 withheld by an employer under Article III of the Tax Reform Code
22 of 1971.

23 "Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6,
24 No.2), known as the Tax Reform Code of 1971.

25 "Taxable year." As defined under section 301 of the Tax
26 Reform Code of 1971.

27 "Taxpayer." A resident individual subject to the tax imposed
28 under Article III of the Tax Reform Code of 1971.

29 Section 1603-Y. Credit for child learning investment expenses.

30 (a) Creation of tax credit.--For each taxable year beginning

1 after December 31, 2023, a taxpayer shall be allowed a tax
2 credit against the tax imposed under Article III of the Tax
3 Reform Code of 1971 for each eligible child who is not enrolled
4 in a public school for the taxable year to be used for qualified
5 learning expenses.

6 (b) Amount.--The credit shall be \$8,000 per child per
7 taxable year.

8 (c) Claim of tax credit.--A taxpayer shall claim a tax
9 credit under this section on a return filed under section 330 of
10 the Tax Reform Code of 1971.

11 (d) Tax credit refund.--The tax credit under this section
12 shall be applied against the taxpayer's tax liability. If the
13 tax credit exceeds the taxpayer's tax liability, the department
14 shall issue a refund under the procedures specified in section
15 346 of the Tax Reform Code of 1971.

16 (e) Prorating of tax credit.--In the case of a child
17 enrolled in a public school for a portion of the taxable year
18 and in a nonpublic school for a portion of the taxable year, the
19 amount of the credit awarded to the taxpayer shall be prorated.

20 (f) Distribution of tax credit.--

21 (1) The department shall allow taxpayers to claim the
22 credit when filing an annual tax return or through advanced
23 installments.

24 (2) The department shall prescribe applications for the
25 purposes of claiming the credits in advance and a deadline by
26 which applications for the advance shall be submitted.

27 (3) A taxpayer shall choose to receive the credit:

28 (i) as a direct deposit electronically to a banking
29 account provided by the taxpayer; or

30 (ii) by certified mail to a legal address.

1 Section 1604-Y. Regulations.

2 The Secretary of Revenue shall promulgate rules and
3 regulations necessary to implement and administer this article.

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