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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 659 Session of  
2015

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INTRODUCED BY BLAKE, GREENLEAF, WILEY, FARNESE, FONTANA, SMITH,  
COSTA, TARTAGLIONE, SCHWANK, ALLOWAY, RAFFERTY, BOSCOLA,  
LEACH AND WHITE, MARCH 31, 2015

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REFERRED TO FINANCE, MARCH 31, 2015

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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 nonprofit animal shelter tax  
11 credit; and imposing duties on the Department of Revenue.

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

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

17 ARTICLE XVII-J

18 NONPROFIT ANIMAL SHELTER TAX CREDIT

19 Section 1701-J. Scope of article.

20 This article relates to nonprofit animal shelter tax credits.

21 Section 1702-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 "Business firm." An entity authorized to do business in this  
4 Commonwealth and subject to taxes imposed under Article III, IV,  
5 VI, VII, VIII, IX or XV. The term includes a pass-through  
6 entity.

7 "Contribution." A donation of cash, personal property or  
8 services, the value of which is the net cost of the donation to  
9 the donor or the pro rata hourly wage, including benefits, of  
10 the individual performing the services.

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

12 "Nonprofit animal shelter." An establishment that is  
13 operated by a municipality or entity exempt from Federal  
14 taxation under section 501(c)(3) of the Internal Revenue Code of  
15 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)), provides  
16 temporary homes to animals that are offered for adoption and  
17 operates in this Commonwealth.

18 "Pass-through entity." A partnership as defined in section  
19 301(n.0) or a Pennsylvania S corporation as defined in section  
20 301(n.1).

21 "Qualified tax liability." The liability for taxes imposed  
22 under Article III, IV, VI, VII or IX. The term shall not include  
23 any tax withheld by an employer from an employee under Article  
24 III.

25 "Tax credit." The nonprofit animal shelter tax credit  
26 provided under this article.  
27 Section 1703-J. Nonprofit animal shelter tax credits.

28 A business firm may claim a tax credit against the qualified  
29 tax liability of the business firm for contributions to a  
30 nonprofit animal shelter.

1 Section 1704-J. Credit for nonprofit animal shelter  
2 contributions.

3 (a) Application.--A business firm may apply to the  
4 department for a tax credit under this article. The application  
5 must be on the form required by the department.

6 (b) Review and approval.--An application received shall be  
7 reviewed and evaluated by the department.

8 (c) Information.--In order to qualify for a tax credit, a  
9 business firm must submit information to the department that  
10 enables the department to confirm that the contribution is to a  
11 nonprofit animal shelter.

12 Section 1705-J. Carryover, carryback and assignment of credit.

13 (a) General rule.--If a business firm cannot use the entire  
14 amount of the tax credit for the taxable year in which the tax  
15 credit is first approved, the excess may be carried over to  
16 succeeding taxable years and used as a credit against the  
17 qualified tax liability of the business firm for those taxable  
18 years. When the tax credit is carried over to a succeeding  
19 taxable year, the tax credit shall be reduced by the amount that  
20 was used as a credit during the immediately preceding taxable  
21 year. A tax credit may be carried over and applied to succeeding  
22 taxable years for no more than three taxable years following the  
23 first taxable year for which the taxpayer was entitled to claim  
24 the credit.

25 (b) Application.--A tax credit approved by the department in  
26 a taxable year first shall be applied against the taxpayer's  
27 qualified tax liability for the current taxable year as of the  
28 date on which the credit was approved before the tax credit can  
29 be applied against any tax liability under subsection (a).

30 (c) Carryback or refund prohibited.--A business firm shall

1 not be entitled to carry back or obtain a refund of all or any  
2 portion of an unused tax credit granted to the business firm.  
3 Section 1706-J. Limitations and availability.

4 (a) Aggregate amount.--The aggregate amount of tax credits  
5 awarded in a fiscal year may not exceed \$2,000,000.

6 (b) Total.--A tax credit may not exceed \$100,000 for a  
7 business firm.

8 (c) Normal course of business.--A tax credit may not be  
9 approved for activities that are part of a business firm's  
10 normal course of business.

11 (d) Availability.--A tax credit shall be made available by  
12 the department on a first-come, first-served basis within the  
13 limitations established under this article and by the  
14 department.

15 Section 1707-J. Penalty.

16 A business firm that claims a tax credit that does not equal  
17 the business firm's contribution to a nonprofit animal shelter  
18 in Pennsylvania in a taxable year shall repay to the  
19 Commonwealth the amount of the tax credit claimed under this  
20 article.

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