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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 844 Session of  
2013

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INTRODUCED BY BROWNE, MENSCH, RAFFERTY, WAUGH, FERLO, SCHWANK,  
TARTAGLIONE, HUGHES AND SOLOBAY, APRIL 11, 2013

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REFERRED TO FINANCE, APRIL 11, 2013

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AN ACT

1 Providing for a State tax credit program for work provided by a  
2 licensed vocational facility to a business under contract  
3 with the facility.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Vocational  
8 Facility Service Contract Tax Credit Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall  
11 have the meanings given to them in this section unless the  
12 context clearly indicates otherwise:

13 "Business firm." A corporation, partnership or sole  
14 proprietorship authorized to do business in this Commonwealth  
15 and subject to taxes imposed under Article III, IV, VI, VII,  
16 VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known  
17 as the Tax Reform Code of 1971.

18 "Credit." A vocational facility service contract tax credit

1 provided to businesses under contract with licensed vocational  
2 facilities.

3 "Department." The Department of Revenue of the  
4 Commonwealth."

5 "Vocational facility." An organization through which  
6 rehabilitative, habilitative or handicapped employment or  
7 employment training is provided to one or more disabled clients  
8 for part of a 24-hour day and is licensed under 55 Pa. Code Ch.  
9 2390 (relating to vocational facilities) or an agency affiliated  
10 with the Pennsylvania Industries for the Blind and Handicapped.

11 "Work." Commercial activities that improve employment  
12 opportunities for individuals who have disabilities, including,  
13 but not limited to, production, packaging, assembly, food  
14 service, custodial service and clerical service.

15 Section 3. Authorization of credit.

16 (a) General rule.--Subject to the limitations provided in  
17 subsection (b), a business firm may claim as a credit against  
18 the taxes imposed by the Commonwealth an amount equal to 5% of  
19 the annual amount that the business firm paid in the taxable  
20 year to a vocational facility for work performed by the facility  
21 for the business firm pursuant to a contract. The department  
22 shall grant a tax credit against a tax liability owed to the  
23 department by a business firm that provides proof of a contract  
24 with a vocational facility for work paid for in the taxable  
25 year.

26 (b) Limitation.--The maximum amount that a business firm may  
27 claim under this section in a taxable year is \$25,000 for each  
28 vocational facility with which the business firm contracts for  
29 work to be performed.

30 Section 4. Applicability.

1       This act shall apply to taxable years beginning after  
2 December 31, 2013.

3 Section 5.   Expiration.

4       This act shall expire July 1, 2019.

5 Section 20.   Effective date.

6       This act shall take effect July 1, 2013, or immediately,  
7 whichever is later.