AN ACT

Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," in tax for education, further providing for definitions and providing for notice requirements for remote sellers.

AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT, COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND PENALTIES,"

FURTHER PROVIDING FOR THE TITLE OF THE ACT;
IN SALES AND USE TAX, FURTHER PROVIDING FOR DEFINITIONS, FOR IMPOSITION OF TAX AND FOR EXCLUSIONS FROM TAX; PROVIDING FOR MARKETPLACE PROVIDERS AND MARKETPLACE SELLERS; FURTHER PROVIDING FOR REMOTE SALES REPORTS;
IN PERSONAL INCOME TAX, PROVIDING FOR THE PENNSYLVANIA ABLE SAVINGS PROGRAM TAX EXEMPTION, REPEALING PROVISIONS RELATING TO CONTRIBUTION FOR KOREA/VIETNAM MEMORIAL NATIONAL EDUCATION CENTER AND FURTHER PROVIDING FOR OPERATIONAL
PROVISIONS;
IN CORPORATE NET INCOME TAX, FURTHER PROVIDING FOR
DEFINITIONS AND PROVIDING FOR QUALIFIED MANUFACTURING
INNOVATION AND REINVESTMENT DEDUCTION;
IN GROSS RECEIPTS TAX, FURTHER PROVIDING FOR IMPOSITION
OF TAX AND ESTABLISHING THE NATURAL GAS OPTIMIZATION FUND AND
NATURAL GAS OPTIMIZATION PROGRAM;
IN REALTY TRANSFER TAX, FURTHER PROVIDING FOR DEFINITIONS
AND FOR EXEMPT PARTIES;
IN ENTERTAINMENT PRODUCTION TAX CREDIT, FURTHER PROVIDING
FOR DEFINITIONS AND FOR CREDIT FOR QUALIFIED FILM PRODUCTION
EXPENSES, PROVIDING FOR FILM PRODUCTION TAX CREDIT DISTRICTS
AND ESTABLISHING THE ENTERTAINMENT ECONOMIC ENHANCEMENT
PROGRAM;
IN CITY REVITALIZATION AND IMPROVEMENT ZONES, FURTHER
PROVIDING FOR RESTRICTIONS AND FOR TRANSFER OF PROPERTY;
IN NEIGHBORHOOD IMPROVEMENT ZONES, FURTHER PROVIDING FOR
DEFINITIONS AND PROVIDING FOR TRANSFER OF PROPERTY;
IN KEYSTONE OPPORTUNITY ZONES, KEYSTONE OPPORTUNITY
EXPANSION ZONES AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONES,
FURTHER PROVIDING FOR ADDITIONAL KEYSTONE OPPORTUNITY ZONES;
IN INHERITANCE TAX, FURTHER PROVIDING FOR TIMELY MAILING
TREATED AS TIMELY FILING AND PAYMENT;
PROVIDING FOR AN ELECTRIC GRID VIRTUAL FINANCIAL
TRANSACTIONS TAX;
IN PUBLIC TRANSPORTATION ASSISTANCE FUND, FURTHER
PROVIDING FOR FUND;
PROVIDING FOR FIREWORKS, FOR UNCONVENTIONAL GAS WELLS,
FOR UNCONVENTIONAL NATURAL GAS AIR QUALITY PROTECTION AND FOR
ENVIRONMENTAL PERMITTING REFORM;
IN PROCEDURE AND ADMINISTRATION, FURTHER PROVIDING FOR
PETITION FOR REASSESSMENT, FOR PETITION PROCEDURE AND FOR
REVIEW BY BOARD;
PROVIDING FOR TOBACCO MASTER SETTLEMENT PAYMENT FUND;
IN GENERAL PROVISIONS, FURTHER PROVIDING FOR TIMELY
FILING;
PROVIDING FOR SEVERABILITY; AND
MAKING RELATED REPEALS.

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

Section 1. Section 201 of the act of March 4, 1971 (P.L.6,
No.2), known as the Tax Reform Code of 1971, is amended by
adding a clause to read:

Section 201. Definitions. The following words, terms and
phrases when used in this Article II shall have the meaning

20170HB0542PN2259 - 2 -
ascribed to them in this section, except where the context
clearly indicates a different meaning:

***

(eee) “Remote seller.” A vendor located outside this
Commonwealth that sells tangible personal property or services
that are not exempt from the tax imposed under this article to a
purchaser in this Commonwealth but does not collect the tax.

Section 2. The act is amended by adding a section to read:

Section 248.7. Notice Requirements for Remote Sellers.—(a)
A remote seller making a sale in this Commonwealth shall notify
the purchaser that sales or use tax is due on the nonexempt
purchase and that the Commonwealth requires the purchaser to pay
the tax due on the purchaser’s tax return. Failure to provide
the notice required under this subsection shall subject the
remote seller to a penalty of five dollars ($5.00) for each
failure, unless the remote seller shows reasonable cause for the
failure.

(b) On or before January 31 of each year, a remote seller
shall send notice to each purchaser in this Commonwealth who
made five hundred dollars ($500.00) or more of purchases from
the remote seller in the previous calendar year. The notice
shall include all of the following:

(1) The total amount paid by the purchaser for purchases
made from the remote seller in the previous calendar year.

(2) A statement that the Commonwealth requires a sales or
use tax return to be filed and sales or use tax to be paid on
nonexempt purchases made by the purchaser from the remote
seller.

(3) Any information required by the department by rule.
The notice shall be sent separately by first-class mail or
electronic mail and may not be included with any other shipments. The notice shall include the name of the remote seller and the words "Important Tax Document Enclosed" on the exterior of the mailing. Failure to send the notice required under this subsection shall subject the remote seller to a penalty of ten dollars ($10.00) for each failure, unless the remote seller shows reasonable cause for the failure.

(c) The department is authorized to adopt rules and procedures and create forms necessary to implement this section.

Section 3. This act shall take effect in 60 days.

SECTION 1. THE TITLE OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS AMENDED TO READ:

AN ACT

RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT, COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING FOR TAX CREDITS IN CERTAIN CASES; PROVIDING FOR ENVIRONMENTAL PERMITTING; CONFERRING POWERS AND IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND PENALTIES.

SECTION 1.1. SECTION 201(M) OF THE ACT, AMENDED JULY 13, 2016 (P.L.526, NO.84), IS AMENDED AND THE SECTION IS AMENDED BY ADDING CLAUSES TO READ:

SECTION 201. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND PHRASES WHEN USED IN THIS ARTICLE II SHALL HAVE THE MEANING ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:

* * *

20170HB0542PN2259 - 4 -
"TANGIBLE PERSONAL PROPERTY."

(1) CORPOREAL PERSONAL PROPERTY INCLUDING, BUT NOT LIMITED TO, GOODS, WARES, MERCHANDISE, STEAM AND NATURAL AND MANUFACTURED AND BOTTLED GAS FOR NON-RESIDENTIAL USE, ELECTRICITY FOR NON-RESIDENTIAL USE, PREPAID TELECOMMUNICATIONS, PREMIUM CABLE OR PREMIUM VIDEO PROGRAMMING SERVICE, SPIRITUOUS OR VINOUS LIQUOR AND MALT OR BREWED BEVERAGES AND SOFT DRINKS, INTERSTATE TELECOMMUNICATIONS SERVICE ORIGINATING OR TERMINATING IN THE COMMONWEALTH AND CHARGED TO A SERVICE ADDRESS IN THIS COMMONWEALTH, INTRASTATE TELECOMMUNICATIONS SERVICE WITH THE EXCEPTION OF (I) SUBSCRIBER LINE CHARGES AND BASIC LOCAL TELEPHONE SERVICE FOR RESIDENTIAL USE AND (II) CHARGES FOR TELEPHONE CALLS PAID FOR BY INSERTING MONEY INTO A TELEPHONE ACCEPTING DIRECT DEPOSITS OF MONEY TO OPERATE, PROVIDED FURTHER, THE SERVICE ADDRESS OF ANY INTRASTATE TELECOMMUNICATIONS SERVICE IS DEEMED TO BE WITHIN THIS COMMONWEALTH OR WITHIN A POLITICAL SUBDIVISION, REGARDLESS OF HOW OR WHERE BILLED OR PAID. IN THE CASE OF ANY SUCH INTERSTATE OR INTRASTATE TELECOMMUNICATIONS SERVICE, ANY CHARGE PAID THROUGH A CREDIT OR PAYMENT MECHANISM WHICH DOES NOT RELATE TO A SERVICE ADDRESS, SUCH AS A BANK, TRAVEL, CREDIT OR DEBIT CARD, BUT NOT INCLUDING PREPAID TELECOMMUNICATIONS, IS DEEMED ATTRIBUTABLE TO THE ADDRESS OF ORIGINATION OF THE TELECOMMUNICATIONS SERVICE.

(2) THE TERM SHALL INCLUDE THE FOLLOWING, WHETHER ELECTRONICALLY OR DIGITALLY DELIVERED, STREAMED OR ACCESSED AND WHETHER PURCHASED SINGLY, BY SUBSCRIPTION OR IN ANY OTHER MANNER, INCLUDING MAINTENANCE[,] AND UPDATES [AND SUPPORT]:

(I) VIDEO;

(II) PHOTOGRAPHS;

(III) BOOKS;
(IV) ANY OTHER OTHERWISE TAXABLE PRINTED MATTER;
(V) APPLICATIONS, COMMONLY KNOWN AS APPS;
(VI) GAMES;
(VII) MUSIC;
(VIII) ANY OTHER AUDIO, INCLUDING SATELLITE RADIO SERVICE;
(IX) CANNED SOFTWARE, NOTWITHSTANDING THE FUNCTION
PERFORMED, INCLUDING SUPPORT, EXCEPT SEPARATELY INVOICED HELP
DESK OR CALL CENTER SUPPORT; OR
(X) ANY OTHER OTHERWISE TAXABLE TANGIBLE PERSONAL PROPERTY
ELECTRONICALLY OR DIGITALLY DELIVERED, STREAMED OR ACCESSED.

* * *

(EEE) "MARKETPLACE PROVIDER." A PERSON WHO, EITHER DIRECTLY
OR INDIRECTLY THROUGH AGREEMENTS OR ARRANGEMENTS WITH THIRD
PARTIES AND PURSUANT TO AN AGREEMENT WITH A MARKETPLACE SELLER,
FACILITATES A SALE BY A MARKETPLACE SELLER. FOR PURPOSES OF THIS
DEFINITION, A PERSON "FACILITATES A SALE" IF THE PERSON OR AN
AFFILIATED PERSON:

(1) COLLECTS THE PAYMENT MADE BY A CUSTOMER TO OR FOR A
MARKETPLACE SELLER REGARDLESS OF WHETHER THE MARKETPLACE
PROVIDER RECEIVES COMPENSATION OR OTHER CONSIDERATION IN
EXCHANGE FOR ITS SERVICES; AND

(2) PROVIDES THE FORUM IN WHICH, OR BY MEANS OF WHICH, THE
SALE TAKES PLACE, INCLUDING A SHOP, A STORE, A BOOTH, AN
INTERNET WEBSITE, A CATALOG OR A SIMILAR FORUM.

(FFF) "MARKETPLACE SELLER." A PERSON, WHETHER OR NOT THE
PERSON IS REQUIRED TO REGISTER TO COLLECT TAX UNDER THIS
ARTICLE, WHO:

(1) HAS AN AGREEMENT WITH A MARKETPLACE PROVIDER UNDER WHICH
THE MARKETPLACE PROVIDER WILL FACILITATE SALES FOR THE PERSON;

AND
(2) MAKES SALES AT RETAIL SUBJECT TO TAX UNDER THIS ARTICLE.

SECTION 2. SECTION 202(A) OF THE ACT IS AMENDED TO READ:

SECTION 202. IMPOSITION OF TAX.--(A) THERE IS HEREBY IMPOSED UPON EACH SEPARATE SALE AT RETAIL OF TANGIBLE PERSONAL PROPERTY OR SERVICES, AS DEFINED HEREIN, WITHIN THIS COMMONWEALTH A TAX OF SIX PER CENT OF THE PURCHASE PRICE, WHICH TAX SHALL BE COLLECTED BY THE VENDOR FROM THE PURCHASER, OR BY THE MARKETPLACE PROVIDER FOR EACH SEPARATE SALE AT RETAIL FACILITATED FOR A MARKETPLACE SELLER, AND SHALL BE PAID OVER TO THE COMMONWEALTH AS HEREIN PROVIDED.

* * *

SECTION 2.1. SECTION 204(13) OF THE ACT, AMENDED JULY 13, 2016 (P.L.526, NO.84), IS AMENDED TO READ:

SECTION 204. EXCLUSIONS FROM TAX.--THE TAX IMPOSED BY SECTION 202 SHALL NOT BE IMPOSED UPON ANY OF THE FOLLOWING:

* * *

(13) THE SALE AT RETAIL, OR USE OF WRAPPING PAPER, WRAPPING TWINE, BAGS, CARTONS, TAPE, ROPE, LABELS, NONRETURNABLE CONTAINERS [AND] ALL OTHER WRAPPING SUPPLIES AND KEGS USED TO CONTAIN MALT OR BREWED BEVERAGES, WHEN SUCH USE IS INCIDENTAL TO THE DELIVERY OF ANY PERSONAL PROPERTY, EXCEPT THAT ANY CHARGE FOR WRAPPING OR PACKAGING SHALL BE SUBJECT TO TAX AT THE RATE IMPOSED BY SECTION 202, UNLESS THE PROPERTY WRAPPED OR PACKAGED WILL BE RESOLD BY THE PURCHASER OF THE WRAPPING OR PACKAGING SERVICE. AS USED IN THIS PARAGRAPH, THE TERM "CARTONS" INCLUDES CORRUGATED BOXES USED BY A PERSON ENGAGED IN THE MANUFACTURE OF SNACK FOOD PRODUCTS TO DELIVER THE MANUFACTURED PRODUCT, WHETHER OR NOT THE BOXES ARE RETURNABLE FOR POTENTIAL REUSE.

* * *

SECTION 2.2. ARTICLE II OF THE ACT IS AMENDED BY ADDING A
MARKETPLACE PROVIDERS AND MARKETPLACE SELLERS

SECTION 213. MARKETPLACE PROVIDERS AND MARKETPLACE SELLERS.--(A) A MARKETPLACE PROVIDER SHALL:

(1) COMPLY WITH ALL OF THE PROVISIONS OF THIS ARTICLE WITH RESPECT TO THE COLLECTION OF TAX BY VENDORS;

(2) HAVE ALL THE DUTIES, BENEFITS AND ENTITLEMENTS OF A PERSON REQUIRED TO COLLECT TAX UNDER THIS ARTICLE WITH RESPECT TO SALES FACILITATED FOR A MARKETPLACE SELLER, AS IF THE MARKETPLACE PROVIDER WERE THE VENDOR WITH RESPECT TO THE SALE, INCLUDING THE RIGHT TO RECEIVE THE REFUND AUTHORIZED BY SECTION 247 OR SECTION 247.1; AND

(3) KEEP THE RECORDS AND INFORMATION REQUIRED OF A VENDOR UNDER THIS ARTICLE.

(B) A MARKETPLACE SELLER IS NOT A PERSON REQUIRED TO COLLECT TAX FOR PURPOSES OF THIS SECTION REGARDING A PARTICULAR SALE AT RETAIL IF:

(1) THE MARKETPLACE SELLER CAN SHOW THAT THE SALE WAS FACILITATED BY A MARKETPLACE PROVIDER FROM WHOM THE SELLER HAS RECEIVED A PROPERLY COMPLETED CERTIFICATE OF COLLECTION ON A FORM PRESCRIBED BY THE DEPARTMENT CERTIFYING THAT THE MARKETPLACE PROVIDER IS REGISTERED TO COLLECT TAX AND WILL COLLECT TAX ON ALL TAXABLE SALES BY THE MARKETPLACE SELLER AND WITH OTHER INFORMATION AS THE DEPARTMENT MAY PRESCRIBE; AND

(2) ANY FAILURE OF THE MARKETPLACE PROVIDER TO COLLECT THE PROPER AMOUNT OF TAX IN REGARD TO THE SALE WAS NOT THE RESULT OF INCORRECT INFORMATION.

(C) THIS SECTION SHALL BE ADMINISTERED IN A MANNER
CONSISTENT WITH THIS ARTICLE AS IF A CERTIFICATE OF COLLECTION WERE A RESALE OR EXEMPTION CERTIFICATE, INCLUDING WITH REGARD TO THE COMPLETENESS OF THE CERTIFICATE OF COLLECTION AND THE TIMING OF ITS ACCEPTANCE BY THE MARKETPLACE SELLER, PROVIDED THAT, WITH REGARD TO ANY SALES BY A MARKETPLACE SELLER THAT ARE FACILITATED BY A MARKETPLACE PROVIDER WHO IS AFFILIATED WITH THE MARKETPLACE SELLER, THE MARKETPLACE SELLER SHALL BE DEEMED LIABLE AS A PERSON UNDER A DUTY TO ACT FOR THE MARKETPLACE PROVIDER FOR PURPOSES OF THIS ARTICLE.

(D) A MARKETPLACE PROVIDER IS RELIEVED OF LIABILITY UNDER THIS SECTION FOR FAILURE TO COLLECT THE CORRECT AMOUNT OF TAX TO THE EXTENT THAT THE MARKETPLACE PROVIDER CAN SHOW THAT THE ERROR WAS DUE TO INCORRECT INFORMATION GIVEN TO THE MARKETPLACE PROVIDER BY THE MARKETPLACE SELLER. THIS SUBSECTION SHALL NOT APPLY IF THE MARKETPLACE SELLER AND MARKETPLACE PROVIDER ARE AFFILIATED.

(E) FOR PURPOSES OF THIS SECTION, TWO PERSONS ARE AFFILIATED IF ONE PERSON HAS AN OWNERSHIP INTEREST OF MORE THAN FIVE PER CENT, WHETHER DIRECT OR INDIRECT, IN THE OTHER, OR WHERE AN OWNERSHIP INTEREST OF MORE THAN FIVE PER CENT, WHETHER DIRECT OR INDIRECT, IS HELD IN EACH OF THE PERSONS BY ANOTHER PERSON OR BY A GROUP OF OTHER PERSONS WHICH ARE AFFILIATED PERSONS WITH RESPECT TO EACH OTHER.

SECTION 2.3. SECTION 278 OF THE ACT IS AMENDED BY ADDING A SUBSECTION TO READ:

SECTION 278. REMOTE SALES REPORTS.--**

(C) IF FEDERAL LEGISLATION RELATING TO REMOTE SELLERS HAS NOT BEEN ENACTED BY DECEMBER 31, 2018, THE INDEPENDENT FISCAL OFFICE, IN CONJUNCTION WITH THE DEPARTMENT OF REVENUE, SHALL CONDUCT A STUDY ASSESSING THE LEGAL IMPLICATIONS AND FISCAL
IMPACT OF MANDATING NOTICE REQUIREMENTS FOR REMOTE SELLERS. BY
APRIL 1, 2019, RESULTS OF THE STUDY, IF A STUDY IS PRODUCED,
SHALL BE PROVIDED TO THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
APPROPRIATIONS COMMITTEE OF THE SENATE, THE CHAIRMAN AND
MINORITY CHAIRMAN OF THE FINANCE COMMITTEE OF THE SENATE, THE
CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE
OF THE HOUSE OF REPRESENTATIVES AND THE CHAIRMAN AND MINORITY
CHAIRMAN OF THE FINANCE COMMITTEE OF THE HOUSE OF

SECTION 3. THE ACT IS AMENDED BY ADDING A SECTION TO READ:
SECTION 304.2. PENNSYLVANIA ABLE SAVINGS PROGRAM TAX
EXEMPTION.--(A) THE FOLLOWING SHALL BE EXEMPT FROM ALL TAXATION
BY THE COMMONWEALTH AND ITS POLITICAL SUBDIVISIONS:
(1) UNDISTRIBUTED EARNINGS ON AN ACCOUNT.
(2) AN AMOUNT DISTRIBUTED FROM AN ACCOUNT THAT IS NOT
INCLUDED IN GROSS INCOME UNDER SECTION 529A(C)(1) OF THE
INTERNAL REVENUE CODE.

(B) THE FOLLOWING SHALL APPLY:
(1) AN AMOUNT CONTRIBUTED TO AN ACCOUNT SHALL BE DEDUCTIBLE
FROM THE TAXABLE INCOME OF THE CONTRIBUTOR UNDER THIS ARTICLE
FOR THE TAX YEAR THE CONTRIBUTION WAS MADE.
(2) THE TOTAL CONTRIBUTIONS MADE BY A CONTRIBUTOR DURING A
TAXABLE YEAR TO ALL ACCOUNTS THAT ARE ALLOWABLE AS A DEDUCTION
UNDER THIS SECTION SHALL NOT EXCEED THE DOLLAR AMOUNT UNDER
SECTION 2503(B) OF THE INTERNAL REVENUE CODE.
(3) THE DEDUCTION SHALL NOT RESULT IN THE CONTRIBUTOR'S
TAXABLE INCOME BEING LESS THAN ZERO.
(4) THE DEPARTMENT AND THE TREASURY DEPARTMENT SHALL
COOPERATE IN VERIFYING ACCOUNT INFORMATION RELATING TO
CONTRIBUTIONS TO AN ACCOUNT ITEMIZED BY A CONTRIBUTOR AND THE
CONTRIBUTOR'S SPECIFIC CONTRIBUTIONS.

(C) AN AMOUNT THAT IS DISTRIBUTED FROM AN ACCOUNT AND NOT
OTHERWISE EXEMPT FROM TAXATION UNDER THIS SECTION SHALL BE
TAXABLE INCOME TO THE DESIGNATED BENEFICIARY UNDER THIS ARTICLE.

(D) A CHANGE IN DESIGNATED BENEFICIARIES UNDER SECTION
529A(C) OF THE INTERNAL REVENUE CODE SHALL NOT CONSTITUTE A
TAXABLE EVENT.

(E) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES
SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION UNLESS
THE CONTEXT CLEARLY INDICATES OTHERWISE:

"ACCOUNT." AN ABLE SAVINGS ACCOUNT AS DEFINED IN SECTION 102
OF THE PENNSYLVANIA ABLE ACT.

"CONTRIBUTOR." AN INDIVIDUAL WHO MAKES A CONTRIBUTION TO AN
ACCOUNT AS DEFINED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT.

"DESIGNATED BENEFICIARY." THE TERM SHALL HAVE THE SAME
MEANING AS PROVIDED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT.

"INTERNAL REVENUE CODE." THE INTERNAL REVENUE CODE OF 1986
(PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.), AS AMENDED.

"PENNSYLVANIA ABLE ACT." THE ACT OF APRIL 18, 2016 (P.L.128,
NO.17), KNOWN AS THE PENNSYLVANIA ABLE ACT.

"PENNSYLVANIA ABLE SAVINGS PROGRAM." THE PROGRAM ESTABLISHED
UNDER THE PENNSYLVANIA ABLE ACT.

"QUALIFIED DISABILITY EXPENSE." THE TERM SHALL HAVE THE SAME
MEANING AS PROVIDED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT.

"ROLLOVER DISTRIBUTION." THE TERM SHALL HAVE THE SAME
MEANING AS PROVIDED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT

* * *

SECTION 4. SECTION 315.6 OF THE ACT IS REPEALED:

[SECTION 315.6. CONTRIBUTION FOR KOREA/VIETNAM MEMORIAL
NATIONAL EDUCATION CENTER.--(A) FOR TAX YEARS 1997, 1998, 1999,
20170HB0542PN2259 - 11 -

(B) THE AMOUNT DESIGNATED BY AN INDIVIDUAL ON THE PENNSYLVANIA INDIVIDUAL INCOME TAX RETURN FORM SHALL BE DEDUCTED FROM THE TAX REFUND TO WHICH THE INDIVIDUAL IS ENTITLED AND SHALL NOT CONSTITUTE A CHARGE AGAINST THE INCOME TAX REVENUES DUE THE COMMONWEALTH.

(C) THE DEPARTMENT SHALL DETERMINE ANNUALLY THE TOTAL AMOUNT DESIGNATED BY INDIVIDUAL TAXPAYERS UNDER THIS SECTION AND SHALL REPORT THE AMOUNT TO THE STATE TREASURER, WHO SHALL PREPARE THE APPROPRIATE DOCUMENTATION AND TRANSFER THE DESIGNATED AMOUNT FROM THE GENERAL FUND TO THE KOREA/VIETNAM MEMORIAL NATIONAL EDUCATION CENTER.


(E) ON OR BEFORE MARCH 31 OF EACH YEAR, THE KOREA/VIETNAM MEMORIAL NATIONAL EDUCATION CENTER SHALL SUBMIT A REPORT DETAILING CONTRIBUTIONS RECEIVED AND ACTIVITIES UNDERTAKEN DURING THE PRIOR CALENDAR YEAR TO THE MILITARY AND VETERANS' AFFAIRS COMMITTEE OF THE SENATE AND THE VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.
SECTION 4.1. SECTION 315.9(B.1) AND (C) OF THE ACT ARE AMENDED TO READ:

SECTION 315.9. OPERATIONAL PROVISIONS.--

* * *

(B.1) NOTWITHSTANDING SUBSECTION (B), THE CHECKOFFS ESTABLISHED IN SECTIONS 315.2 [AND], 315.3, 315.4, 315.7, 315.8, 315.10 AND 315.11 SHALL NOT EXPIRE.

[(C) SECTIONS 315.3, 315.4 AND 315.8 SHALL EXPIRE JANUARY 1, 2018.]

SECTION 4.2. SECTION 401(3)4(C) OF THE ACT IS AMENDED AND THE SUBSECTION IS AMENDED BY ADDING A CLAUSE TO READ:

SECTION 401. DEFINITIONS.--THE FOLLOWING WORDS, TERMS, AND PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANING ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:

* * *

(3) "TAXABLE INCOME." * * *

4. * * *

(C) (1) THE NET LOSS DEDUCTION SHALL BE THE LESSER OF:

(A) (I) FOR TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 2007, TWO MILLION DOLLARS ($2,000,000);

(II) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006, THE GREATER OF TWELVE AND ONE-HALF PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR THREE MILLION DOLLARS ($3,000,000);

(III) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2008, THE GREATER OF FIFTEEN PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR THREE MILLION DOLLARS ($3,000,000);
(IV) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2009,
the greater of twenty per cent of taxable income as determined
under subclause 1 or, if applicable, subclause 2 or three
million dollars ($3,000,000);

(V) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2013, the
greater of twenty-five per cent of taxable income as determined
under subclause 1 or, if applicable, subclause 2 or four million
dollars ($4,000,000);

(VI) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2014,
the greater of thirty per cent of taxable income as determined
under subclause 1 or, if applicable, subclause 2 or five million
dollars ($5,000,000); [OR]

(VII) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2017,
thirty-five per cent of taxable income as determined under
subclause 1 or, if applicable, subclause 2;

(VIII) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2018,
fifty per cent of taxable income as determined under subclause 1
or, if applicable, subclause 2;

(B) The amount of the net loss or losses which may be
carried over to the taxable year or taxable income as determined
under subclause 1 or, if applicable, subclause 2.

(1.1) In no event shall the net loss deduction include more
than five hundred thousand dollars ($500,000), in the aggregate,
of net losses from taxable years 1988 through 1994.

(2) (A) A net loss for a taxable year may only be carried
over pursuant to the following schedule:

<table>
<thead>
<tr>
<th>TAXABLE YEAR</th>
<th>CARRYOVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>1 TAXABLE YEAR</td>
</tr>
<tr>
<td>1982</td>
<td>2 TAXABLE YEARS</td>
</tr>
<tr>
<td>1983–1987</td>
<td>3 TAXABLE YEARS</td>
</tr>
</tbody>
</table>
1988 2 TAXABLE YEARS PLUS
1 TAXABLE YEAR
STARTING WITH THE
1995 TAXABLE YEAR
1989 1 TAXABLE YEAR PLUS
2 TAXABLE YEARS
STARTING WITH THE
1995 TAXABLE YEAR
1990-1993 3 TAXABLE YEARS
STARTING WITH THE
1995 TAXABLE YEAR
1994 1 TAXABLE YEAR
1995-1997 10 TAXABLE YEARS
1998 AND THEREAFTER 20 TAXABLE YEARS

(B) THE Earliest net loss shall be carried over to the
earliest taxable year to which it may be carried under this
schedule. The total net loss deduction allowed in any taxable
year shall not exceed:

(I) TWO million DOLLARS ($2,000,000) for taxable years
BEGINNING BEFORE JANUARY 1, 2007.

(II) THE GREATER OF TWELVE AND ONE-HALF PER CENT OF THE
TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF
APPLICABLE, SUBCLAUSE 2 OR THREE MILLION DOLLARS ($3,000,000)
FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006.

(III) THE GREATER OF FIFTEEN PER CENT OF THE TAXABLE INCOME
AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2
OR THREE MILLION DOLLARS ($3,000,000) FOR TAXABLE YEARS
BEGINNING AFTER DECEMBER 31, 2008.

(IV) THE GREATER OF TWENTY PER CENT OF THE TAXABLE INCOME AS
DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR
THREE MILLION DOLLARS ($3,000,000) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2009.

(V) THE GREATER OF TWENTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR FOUR MILLION DOLLARS ($4,000,000) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2013.

(VI) THE GREATER OF THIRTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR FIVE MILLION DOLLARS ($5,000,000) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2014.

(VII) THIRTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2017.

(VIII) FORTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2018.

(C.1) A DEDUCTION UNDER PART IV.1 SHALL BE ALLOWED FROM TAXABLE INCOME AS PROSCRIBED IN A SATISFACTION COMMITMENT LETTER EXECUTED BETWEEN THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND A TAXPAYER UNDER SECTION 407.7(C).

* * *

SECTION 4.3. ARTICLE IV OF THE ACT IS AMENDED BY ADDING A PART TO READ:

PART IV-A

QUALIFIED MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION

SECTION 407.6. DEFINITIONS.--(A) FOR THE PURPOSES OF THIS PART ONLY, THE FOLLOWING WORDS, TERMS AND PHRASES SHALL HAVE THE MEANING ASCRIBED TO THEM IN THIS SUBSECTION, EXCEPT WHERE THE CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:
(1) "ANNUAL TAXABLE PAYROLL." THE TOTAL AMOUNT OF WAGES PAID IN THIS COMMONWEALTH BY A TAXPAYER FOR THE BASE YEAR OR YEAR ONE, AS APPLICABLE, FROM WHICH PERSONAL INCOME TAX UNDER ARTICLE III IS WITHHELD.

(2) "BASE YEAR." THE FOUR CALENDAR QUARTERS PRECEDING THE START DATE.

(3) "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH.

(4) "MANUFACTURE." THE MECHANICAL, PHYSICAL, BIOLOGICAL OR CHEMICAL TRANSFORMATION OF MATERIALS, SUBSTANCES OR COMPONENTS INTO NEW PRODUCTS THAT ARE CREATIONS OF NEW ITEMS OF TANGIBLE PERSONAL PROPERTY FOR SALE.

(5) "QUALIFIED MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION." AN ALLOWABLE DEDUCTION AS DETERMINED, CALCULATED AND EXECUTED IN A COMMITMENT LETTER BETWEEN THE DEPARTMENT AND THE TAXPAYER.

(6) "QUALIFIED TAX LIABILITY." A TAXPAYER'S TAX LIABILITY UNDER THIS ARTICLE.

(7) "START DATE." THE FIRST DAY OF THE CALENDAR QUARTER IN WHICH A TAXPAYER ADVISES THE DEPARTMENT OF THE TAXPAYER'S INTENT TO INITIATE AN ELIGIBLE PROJECT UNLESS THE APPLICANT REQUESTS AND THE DEPARTMENT AGREES TO A LATER START DATE.

(8) "TAXPAYER." AN EMPLOYER SUBJECT TO THE TAX UNDER THIS ARTICLE.

(9) "YEAR ONE." THE FOUR CALENDAR QUARTERS IMMEDIATELY FOLLOWING THE START DATE.

SECTION 407.7. MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION.--(A) IN ORDER TO BE ELIGIBLE TO RECEIVE A MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION, A TAXPAYER MUST DEMONSTRATE TO THE DEPARTMENT A CAPITAL INVESTMENT IN
EXCESS OF ONE HUNDRED MILLION DOLLARS ($100,000,000) FOR THE
CREATION OF NEW OR REFURBISHED MANUFACTURING CAPACITY WITHIN
THREE YEARS OF A DESIGNATED START DATE.

(B) (1) A TAXPAYER MUST ADVISE THE DEPARTMENT IN ADVANCE OF
THE START DATE OF ANY PROJECT FOR WHICH THE TAXPAYER MAY SEEK A
QUALIFIED MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION. A
TAXPAYER MUST ATTEST THE TAXPAYER'S INTENT TO MEET THE
ELIGIBILITY CRITERIA AND PROVIDE RELEVANT INFORMATION PERTINENT
TO THE PROJECT'S SIZE AND SCOPE IN A MANNER AS DETERMINED BY THE
DEPARTMENT.

(2) WITHIN FIVE YEARS OF A PROJECT'S START DATE, A TAXPAYER
MUST COMPLETE TO THE DEPARTMENT'S SATISFACTION AN APPLICATION ON
A FORM AND IN A MANNER AS DETERMINED BY THE DEPARTMENT TO ATTEST
THAT THE PROJECT HAS BEEN COMPLETED AND THE ELIGIBILITY CRITERIA
HAS BEEN SATISFIED.

(C) UPON THE RECEIPT OF THE TAXPAYER'S APPLICATION, THE
DEPARTMENT OF REVENUE MUST MAKE A FINDING THAT THE APPLICANT HAS
FILED ALL REQUIRED STATE TAX REPORTS AND RETURNS FOR ALL
APPLICABLE TAX YEARS AND PAID ANY BALANCE OF STATE TAX DUE AS
DETERMINED AT SETTLEMENT, ASSESSMENT OR DETERMINATION AND THE
DEPARTMENT, THEN IN CONJUNCTION WITH THE DEPARTMENT OF REVENUE,
SHALL MAKE AN ELIGIBILITY OR SATISFACTION DETERMINATION WITHIN
NINETY DAYS OF SUBMISSION. IF THE DEPARTMENT MAKES A
SATISFACTION DETERMINATION, THE DEPARTMENT AND THE TAXPAYER
SHALL EXECUTE A SATISFACTION COMMITMENT LETTER CONTAINING THE
FOLLOWING:

(1) THE NUMBER OF NEW JOBS CREATED AND THEIR CORRESPONDING
DESCRIPTION.

(2) THE NUMBER OF NEW JOBS CREATED DURING CONSTRUCTION OF
THE PROJECT.
(3) THE AMOUNT OF PRIVATE CAPITAL INVESTMENT IN THE CREATION OF NEW JOBS.

(4) THE INCREASE IN THE ANNUAL TAXABLE PAYROLL ATTRIBUTABLE TO NEW MANUFACTURING JOBS.

(5) A DETERMINATION OF THE MAXIMUM ALLOWABLE DEDUCTION AGAINST A TAXPAYER'S QUALIFIED TAX LIABILITY UNDER THIS ARTICLE.

(6) ANY OTHER INFORMATION AS THE DEPARTMENT DEEMS APPROPRIATE.

(D) (1) UPON DETERMINING A TAXPAYER'S SATISFACTION OF THE ELIGIBILITY CRITERIA, THE DEPARTMENT SHALL CALCULATE THE MAXIMUM ALLOWABLE DEDUCTION THAT A TAXPAYER MAY CLAIM AGAINST THE TAXPAYER'S TAXABLE INCOME UNDER THIS ARTICLE. THE DEDUCTION SHALL BE EQUAL TO FIVE PER CENT OF THE PRIVATE CAPITAL INVESTMENT UTILIZED IN THE CREATION OF NEW OR REFURBISHED MANUFACTURING CAPACITY PER TAX YEAR FOR A PERIOD OF FIVE YEARS.

(2) A TAXPAYER MAY UTILIZE THE AMOUNT OF THE DEDUCTION IN EACH YEAR OF THE SUCCEEDING FIVE TAX YEARS IMMEDIATELY FOLLOWING THE DEPARTMENT'S SATISFACTION DETERMINATION AND THE EXECUTION OF A SATISFACTION COMMITMENT LETTER.

(3) A TAXPAYER CANNOT USE THE DEDUCTION TO REDUCE ITS TAX LIABILITY BY MORE THAN FIFTY PER CENT OF THE TAX LIABILITY UNDER THIS ARTICLE FOR THE TAXABLE YEAR. THE DEDUCTION IS NONTRANSFERABLE AND ANY UNUSED PORTION IN A TAX YEAR SHALL EXPIRE AT THE END OF THE CORRESPONDING TAX YEAR.

SECTION 4.4. SECTION 1101(A) INTRODUCTORY PARAGRAPH, (B) HEADING AND INTRODUCTORY PARAGRAPH, (C), (C.1), (E) AND (F) OF THE ACT, AMENDED JULY 13, 2016 (P.L.526, NO.84), ARE AMENDED AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS TO READ:

SECTION 1101. IMPOSITION OF TAX.--(A) GENERAL RULE.--EVERY PIPELINE COMPANY, CONDUIT COMPANY, STEAMBOAT COMPANY, CANAL
COMPANY, SLACK WATER NAVIGATION COMPANY, TRANSPORTATION COMPANY, AND EVERY OTHER COMPANY, ASSOCIATION, JOINT-STOCK ASSOCIATION, OR LIMITED PARTNERSHIP, NOW OR HEREAFTER INCORPORATED OR ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE UNITED STATES OR ANY FOREIGN GOVERNMENT, AND DOING BUSINESS IN THIS COMMONWEALTH, AND EVERY COPARTNERSHIP, PERSON OR PERSONS OWING, OPERATING OR LEASING TO OR FROM ANOTHER CORPORATION, COMPANY, ASSOCIATION, JOINT-STOCK ASSOCIATION, LIMITED PARTNERSHIP, COPARTNERSHIP, PERSON OR PERSONS, ANY PIPELINE, CONDUIT, STEAMBOAT, CANAL, SLACK WATER NAVIGATION, OR OTHER DEVICE FOR THE TRANSPORTATION OF FREIGHT, PASSENGERS, BAGGAGE, OR OIL, EXCEPT MOTOR VEHICLES AND RAILROADS, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION, CORPORATION OR COMPANY ENGAGED IN, OR HEREINAFTER ENGAGED IN, THE TRANSPORTATION OF FREIGHT OR OIL WITHIN THIS STATE, AND EVERY TELEPHONE COMPANY, TELEGRAPH COMPANY OR PROVIDER OF MOBILE TELECOMMUNICATIONS SERVICES NOW OR HEREAFTER INCORPORATED OR ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE UNITED STATES OR ANY FOREIGN GOVERNMENT AND DOING BUSINESS IN THIS COMMONWEALTH, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS, ENGAGED IN TELEPHONE OR TELEGRAPH BUSINESS OR PROVIDING MOBILE TELECOMMUNICATIONS SERVICES IN THIS COMMONWEALTH, SHALL PAY TO THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A TAX [OF FORTY-FIVE MILLS WITH A SURTAX EQUAL TO FIVE MILLS] AT THE RATE SET FORTH IN SUBSECTION (J.1) UPON EACH DOLLAR OF THE GROSS RECEIPTS OF THE CORPORATION, COMPANY OR ASSOCIATION, LIMITED PARTNERSHIP, JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR
PERSONS RECEIVED FROM:

* * *

(B) ELECTRIC LIGHT, WATERPOWER AND HYDRO-ELECTRIC UTILITIES COMPANIES.--EVERY ELECTRIC LIGHT COMPANY, WATERPOWER COMPANY AND HYDRO-ELECTRIC COMPANY NOW OR HEREAFTER INCORPORATED OR ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE UNITED STATES OR ANY FOREIGN GOVERNMENT AND DOING BUSINESS IN THIS COMMONWEALTH, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS, ENGAGED IN ELECTRIC LIGHT AND POWER BUSINESS, WATERPOWER BUSINESS AND HYDRO-ELECTRIC BUSINESS IN THIS COMMONWEALTH, SHALL PAY TO THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A TAX [OF FORTY-FOUR MILLS] AT THE RATE SET FORTH IN SUBSECTION (J.1) UPON EACH DOLLAR OF THE GROSS RECEIPTS OF THE CORPORATION, COMPANY OR ASSOCIATION, LIMITED PARTNERSHIP, JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS, RECEIVED FROM:

* * *

(B.2) NATURAL GAS SUPPLY AND NATURAL GAS DISTRIBUTION COMPANIES.--

(1) EVERY NATURAL GAS SUPPLY COMPANY AND NATURAL GAS DISTRIBUTION COMPANY, INCORPORATED OR ORGANIZED UNDER THE LAWS OF THE UNITED STATES, THIS COMMONWEALTH, A STATE OR A FOREIGN GOVERNMENT, ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION AND DOING BUSINESS IN THIS COMMONWEALTH, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION, COPARTNERSHIP, OR PERSON, ENGAGED IN NATURAL GAS SUPPLY OR NATURAL GAS DISTRIBUTION BUSINESS IN THIS COMMONWEALTH, SHALL PAY TO THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A TAX AT THE RATE SET FORTH IN SUBSECTION (J.1) UPON EACH DOLLAR
OF THE GROSS RECEIPTS OF THE CORPORATION, COMPANY OR
ASSOCIATION, LIMITED PARTNERSHIP, JOINT-STOCK ASSOCIATION,
COPARTNERSHIP OR PERSON, RECEIVED FROM THE SALES AND DELIVERY OF
NATURAL GAS TO RETAIL GAS CUSTOMERS WITHIN THIS COMMONWEALTH,
EXCEPT GROSS RECEIPTS DERIVED FROM:
(I) SALES OF LIQUEFIED PETROLEUM GAS;
(II) (RESERVED);
(III) (RESERVED);
(IV) SALES TO AN ELECTRIC GENERATION COMPANY THAT ARE
CONSUMED FOR THE PURPOSE OF GENERATING ELECTRICITY; AND
(V) GROSS RECEIPTS DERIVED FROM THE SALES FOR RESALE TO
PERSONS, PARTNERSHIPS, ASSOCIATIONS OR CORPORATIONS SUBJECT TO
THE TAX IMPOSED BY THIS ACT UPON GROSS RECEIPTS DERIVED FROM THE
RESALE.
(2) FOR PURPOSES OF THIS SUBSECTION, SALES OF NATURAL GAS TO
RETAIL GAS CUSTOMERS SHALL INCLUDE ALL RECEIPTS FROM NATURAL GAS
SUPPLY SERVICES AND NATURAL GAS DISTRIBUTION SERVICES.
(3) FOR THE PURPOSES OF THIS SUBSECTION, THE TERMS "NATURAL
GAS DISTRIBUTION SERVICES," "NATURAL GAS SUPPLY SERVICES" AND
"RETAIL GAS CUSTOMERS" SHALL HAVE THE SAME MEANINGS AS THE TERMS
HAVE IN 66 PA.C.S. § 2202 (RELATING TO DEFINITIONS).
(C) PAYMENT OF TAX; REPORTS.--THE SAID TAXES IMPOSED UNDER
SUBSECTIONS (A) [AND (B)], (B) AND (B.2) SHALL BE PAID WITHIN
THE TIME PRESCRIBED BY LAW, AND FOR THE PURPOSE OF ASCERTAINING
THE AMOUNT OF THE SAME, IT SHALL BE THE DUTY OF THE TREASURER OR
OTHER PROPER OFFICER OF THE SAID COMPANY, COPARTNERSHIP, LIMITED
PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION OR
CORPORATION, OR PERSON OR PERSONS, TO TRANSMIT TO THE DEPARTMENT
OF REVENUE ON OR BEFORE MARCH 15 OF EACH YEAR AN ANNUAL REPORT,
AND UNDER OATH OR AFFIRMATION, OF THE AMOUNT OF GROSS RECEIPTS
OF THE SAID COMPANIES, COPARTNERSHIPS, CORPORATIONS,
ASSOCIATIONS, JOINT-STOCK ASSOCIATIONS, LIMITED PARTNERSHIPS,
PERSON OR PERSONS, DERIVED FROM ALL SOURCES, AND OF GROSS
RECEIPTS FROM BUSINESS DONE WHOLLY WITHIN THIS STATE AND IN THE
CASE OF ELECTRIC ENERGY PRODUCERS THAT TRANSMIT ENERGY TO OTHER
STATES REFERRED TO IN CLAUSE (2) OF SUBSECTION (B), A
COMPILATION OF THE RELEVANT INFORMATION REGARDING OPERATING AND
MAINTENANCE EXPENSES AND DEPRECIATION, DURING THE PERIOD OF
TWELVE MONTHS IMMEDIATELY PRECEDING JANUARY 1 OF EACH YEAR.
(C.1) SAFE HARBOR BASE YEAR.--FOR PURPOSES OF THE ESTIMATED
TAX REQUIREMENTS UNDER SECTIONS 3003.2 AND 3003.3, THE "SAFE
HARBOR BASE YEAR" TAX AMOUNT FOR PROVIDERS OF MOBILE
TELECOMMUNICATIONS SERVICES AND FOR A NATURAL GAS SUPPLY COMPANY
AND A NATURAL GAS DISTRIBUTION COMPANY SUBJECT TO THE PROVISIONS
OF SUBSECTION (B.2) SHALL BE THE AMOUNT THAT WOULD HAVE BEEN
REQUIRED TO BE PAID BY THE TAXPAYER IF THE TAXPAYER HAD BEEN
SUBJECT TO THIS ARTICLE.
(E) TIME TO FILE REPORTS.--THE TIME FOR FILING ANNUAL
REPORTS MAY BE EXTENDED, ESTIMATED ASSESSMENTS MAY BE MADE BY
THE DEPARTMENT OF REVENUE IF REPORTS ARE NOT FILED, AND THE
PENALTIES FOR FAILING TO FILE REPORTS AND PAY THE TAXES IMPOSED
UNDER SUBSECTION (A) [AND (B)], (B) AND (B.2) SHALL BE AS
PRESCRIBED BY THE LAWS DEFINING THE POWERS AND DUTIES OF THE
DEPARTMENT OF REVENUE. IN ANY CASE WHERE THE WORKS OF ANY
CORPORATION, COMPANY, COPARTNERSHIP, ASSOCIATION, JOINT-STOCK
ASSOCIATION, LIMITED PARTNERSHIP, PERSON OR PERSONS ARE OPERATED
BY ANOTHER CORPORATION, COMPANY, COPARTNERSHIP, ASSOCIATION,
JOINT-STOCK ASSOCIATION, LIMITED PARTNERSHIP, PERSON OR PERSONS,
THE TAXES IMPOSED UNDER SUBSECTIONS (A) [AND (B)], (B) AND (B.2)
SHALL BE APPORTIONED BETWEEN THE CORPORATIONS, COMPANIES,
COPARTNERSHIPS, ASSOCIATIONS, JOINT-STOCK ASSOCIATIONS, LIMITED
PARTNERSHIPS, PERSON OR PERSONS IN ACCORDANCE WITH THE TERMS OF
THEIR RESPECTIVE LEASES OR AGREEMENTS, BUT FOR THE PAYMENT OF
THE SAID TAXES THE COMMONWEALTH SHALL FIRST LOOK TO THE
CORPORATION, COMPANY, COPARTNERSHIP, ASSOCIATION, JOINT-STOCK
ASSOCIATION, LIMITED PARTNERSHIP, PERSON OR PERSONS OPERATING
THE WORKS, AND UPON PAYMENT BY THE SAID COMPANY, CORPORATION,
COPARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION, LIMITED
PARTNERSHIP, PERSON OR PERSONS OF A TAX UPON THE RECEIPTS, AS
HEREIN PROVIDED, DERIVED FROM THE OPERATION THEREOF, NO OTHER
CORPORATION, COMPANY, COPARTNERSHIP, ASSOCIATION, JOINT-STOCK
ASSOCIATION, LIMITED PARTNERSHIP, PERSON OR PERSONS SHALL BE
HELD LIABLE FOR ANY TAX IMPOSED UNDER SUBSECTIONS (A) [AND (B)]
(B) AND (B.2) UPON THE PROPORTION OF SAID RECEIPTS RECEIVED BY
SAID CORPORATION, COMPANY, COPARTNERSHIP, ASSOCIATION, JOINT-
STOCK ASSOCIATION, LIMITED PARTNERSHIP, PERSON OR PERSONS FOR
THE USE OF SAID WORKS.

(F) APPLICATION TO MUNICIPALITIES.--THIS ARTICLE SHALL BE
CONSTRUED TO APPLY TO MUNICIPALITIES, AND TO IMPOSE A TAX UPON
THE GROSS RECEIPTS DERIVED FROM ANY MUNICIPALITY OWNED OR
OPERATED PUBLIC UTILITY OR FROM ANY PUBLIC UTILITY SERVICE,
NATURAL GAS DISTRIBUTION SERVICE OR NATURAL GAS SUPPLY SERVICE
FURNISHED BY ANY MUNICIPALITY, EXCEPT THAT, EXCEPT AS PROVIDED
UNDER SUBSECTION (F.1), GROSS RECEIPTS SHALL BE EXEMPT FROM THE
TAX, TO THE EXTENT THAT SUCH GROSS RECEIPTS ARE DERIVED FROM
BUSINESS DONE INSIDE THE LIMITS OF THE MUNICIPALITY, OWNING OR
OPERATING THE PUBLIC UTILITY OR FURNISHING THE PUBLIC UTILITY
SERVICE.

(F.1) CERTAIN GROSS RECEIPTS TAXED.--THE EXEMPTION FROM TAX
UNDER SUBSECTION (F) SHALL NOT APPLY TO GROSS RECEIPTS RECEIVED
FROM THE SALES AND DELIVERY OF NATURAL GAS TO RETAIL GAS CUSTOMERS UNDER SUBSECTION (B.2).

* * *

(J.1) THE TAX IMPOSED UNDER THIS SECTION SHALL BE IMPOSED AT THE FOLLOWING RATES:

1. SIXTY MILLS FOR RECEIPTS SUBJECT TO TAX UNDER SUBSECTION (A).
2. FIFTY MILLS FOR RECEIPTS SUBJECT TO TAX UNDER SUBSECTION (B).
3. FIFTY-SEVEN MILLS FOR RECEIPTS SUBJECT TO TAX UNDER SUBSECTION (B.2).

(J.2) SCHEDULE FOR CERTAIN PAYMENTS.—

2. FOR CALENDAR YEAR 2018, THE FOLLOWING SCHEDULE APPLIES TO THE PAYMENT OF THE TAX UNDER SUBSECTION (B.2):
   (I) FIFTY PER CENT OF THE ESTIMATED TAX SHALL BE DUE ON MARCH 15, 2018.
3. FOR CALENDAR YEARS AFTER 2018, THE PAYMENT OF THE ESTIMATED TAX UNDER SUBSECTION (B.2) SHALL BE DUE IN ACCORDANCE WITH SECTION 3003.2.

* * *

SECTION 5. ARTICLE XI OF THE ACT IS AMENDED BY ADDING PARTS TO READ:

PART V

NATURAL GAS OPTIMIZATION FUND

SECTION 1111. NATURAL GAS OPTIMIZATION FUND.
THE NATURAL GAS OPTIMIZATION FUND IS ESTABLISHED IN THE STATE TREASURY.

SECTION 1112. TRANSFER OF FUNDS.

(A) NATURAL GAS OPTIMIZATION FUND.--MONEY FROM THE TAX IMPOSED UNDER SECTION 1101(B.2) SHALL BE DEPOSITED INTO THE GENERAL FUND. TWENTY MILLION DOLLARS OF THE MONEY DEPOSITED INTO THE GENERAL FUND UNDER THIS SECTION SHALL BE TRANSFERRED ANNUALLY TO THE NATURAL GAS OPTIMIZATION FUND ESTABLISHED IN SECTION 1111.

(B) LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM.--TWENTY MILLION DOLLARS OF THE MONEY DEPOSITED INTO THE GENERAL FUND IN ACCORDANCE WITH THIS SECTION SHALL BE TRANSFERRED ANNUALLY TO THE DEPARTMENT OF HUMAN SERVICES OF THE COMMONWEALTH TO AUGMENT ACTIVITIES RELATED TO THE LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM AS AUTHORIZED UNDER SECTIONS 201 AND 206 OF ARTICLE II OF THE ACT OF JUNE 13, 1967 (P.L.31, NO.21), KNOWN AS THE HUMAN SERVICES CODE.

PART VI
NATURAL GAS OPTIMIZATION PROGRAM

SECTION 1113. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS PART SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"COMMISSION." THE PENNSYLVANIA PUBLIC UTILITY COMMISSION.

"ELIGIBLE APPLICANT." A NATURAL GAS DISTRIBUTION COMPANY SUBJECT TO THE TAX IMPOSED UNDER SECTION 1101(B.2).

"FUND." THE NATURAL GAS OPTIMIZATION FUND ESTABLISHED UNDER SECTION 1111.

"PROGRAM." THE NATURAL GAS OPTIMIZATION PROGRAM ESTABLISHED UNDER SECTION 1114.
SECTION 1114. NATURAL GAS OPTIMIZATION PROGRAM.

(A) ESTABLISHMENT AND PURPOSE.--THE NATURAL GAS OPTIMIZATION PROGRAM IS ESTABLISHED AND THE PROGRAM'S PURPOSE SHALL BE TO FUND PROJECTS AS PERMITTED UNDER THIS PART.

(B) FUNDING.--GRANTS MADE UNDER THIS SECTION SHALL BE MADE FROM THE FUND.

(C) GRANTS.--

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2), FOR FISCAL YEARS BEGINNING 2017-2018, AND EACH FISCAL YEAR THEREAFTER, THE TOTAL AMOUNT OF GRANTS APPROVED UNDER THIS SECTION MAY NOT EXCEED $20,000,000.

(2) IF THE TOTAL AMOUNT OF GRANTS APPROVED IN A FISCAL YEAR IS LESS THAN $20,000,000, THE UNUSED PORTION MAY BE CARRIED OVER AND APPROVED IN FUTURE FISCAL YEARS.

(D) POWERS OF COMMISSION.--THE COMMISSION SHALL HAVE THE AUTHORITY TO ADMINISTER THE PROGRAM.

(E) GUIDELINES.--FUNDS UNDER THIS PART SHALL BE USED IN ACCORDANCE WITH GUIDELINES ADOPTED BY THE COMMISSION.

(F) ELIGIBLE PROJECTS.--MONEY DEPOSITED INTO THE FUND UNDER SECTION 1112(A) MAY BE UTILIZED BY THE COMMISSION FOR COMPETITIVE GRANTS TO ELIGIBLE APPLICANTS FOR ELIGIBLE PROJECTS AS PROVIDED IN THIS PART. IN ORDER TO BE ELIGIBLE TO RECEIVE A GRANT, AN ELIGIBLE APPLICANT MUST PROVIDE OR DEMONSTRATE TO THE COMMISSION ONE OR MORE OF THE FOLLOWING:

(1) A PLAN TO EXPAND ACCESS TO NATURAL GAS INFRASTRUCTURE.

(2) A PLAN TO EXPAND ACCESS TO NATURAL GAS IN RESIDENTIAL AREAS.

(3) A PLAN TO ACCELERATE THE RATE OF INFRASTRUCTURE PLACEMENT AND REPLACEMENT NECESSARY TO ADVANCE THE PURPOSES

20170HB0542PN2259 - 27 -
OF THIS PART.

(4) A PLAN TO PROMOTE THE USE OF NATURAL GAS IN
RESIDENTIAL AREAS.

(5) A PLAN TO PROVIDE REBATES OR BUY DOWN EXPENDITURES
IN ORDER TO REDUCE UPFRONT COSTS ASSOCIATED WITH CONNECTING
TO A NATURAL GAS LINE, IN-HOUSE PIPING AND NATURAL GAS
EQUIPMENT OWNED BY NEW OR EXISTING CUSTOMERS, INCLUDING HIGH
EFFICIENCY NATURAL GAS FURNACES.

(G) APPLICATION.--AN ELIGIBLE APPLICANT SHALL SUBMIT AN
APPLICATION, INCLUDING SUPPORTING INFORMATION AS REQUIRED BY THE
COMMISSION.

(H) PROJECT REVIEW.--THE COMMISSION SHALL REVIEW AND PREPARE
AN ASSESSMENT OF EACH APPLICATION AND DETERMINE WHICH PROJECTS
WILL BEST UTILIZE AND PROMOTE THE USE OF DOMESTICALLY PRODUCED
NATURAL GAS IN THIS COMMONWEALTH. THE COMMISSION'S REVIEW AND
ASSESSMENT SHALL CONSIDER THE FOLLOWING:

(1) THE ECONOMIC IMPACT OF THE PROJECT INCLUDED IN THE
APPLICATION.

(2) THE NUMBER OF NEW END USERS THAT WILL GAIN ACCESS TO
NATURAL GAS AS A RESULT OF THE PROJECT.

(3) THE EXTENT TO WHICH THE PROJECT EXTENDS ACCESS TO
NATURAL GAS TO SERVE AN UNSERVED OR UNDERSERVED AREA.

(4) THE EXTENT TO WHICH THE PROJECT WILL MAKE THE USE OF
NATURAL GAS MORE EFFICIENT AND AFFORDABLE TO CUSTOMERS.

(5) THE PROJECTED COST OF THE PROJECT.

(6) THE SOURCE AND AMOUNT OF ANY FUNDS TO BE CONTRIBUTED
BY THE ELIGIBLE APPLICANT.

(7) ANY OTHER RELEVANT FACTORS AS DETERMINED BY THE
COMMISSION.

(I) NOTICE OF APPLICATION DEADLINES.--THE COMMISSION SHALL

20170HB0542PN2259  - 28 -
Establish and publish application deadlines in the Pennsylvania Bulletin and on its publicly accessible internet website.

(J) Approval Schedule.—The Commission shall develop a schedule for the approval of applications under this section.

(K) Reapplication.—If an application is not approved under this section, the eligible applicant may revise and resubmit the application and plan for approval.

(L) Administrative Costs.—No more than two percent of the money deposited into the fund annually may be used by the Commission for administrative costs.

(M) Program Report.—The Commission shall provide a report to the Chairperson and minority Chairperson of the Consumer Protection and Professional Licensure Committee of the Senate and the Chairperson and minority Chairperson of the Consumer Affairs Committee of the House of Representatives by October 1, 2018, and each October 1 thereafter. The report shall be maintained on the Commission's publicly accessible internet website and shall include:

(1) A list of all grants approved during the previous fiscal year, including the amount of the grant and a description of each approved project.

(2) The estimated natural gas optimization benefits to date for all projects receiving funding during the fiscal year and the methods used to determine estimated benefits.

Section 6. The definition of "Veterans' Organization" in Section 1101-C of the Act, added July 13, 2016 (P.L.526, No.84), is amended to read:

Section 1101-C. Definitions.—The following words when used in this article shall have the meanings ascribed to them in this section:

SECTION 7. SECTION 1102-C.2 OF THE ACT, AMENDED JULY 13, 2016 (P.L.526, NO.84), IS AMENDED TO READ:

SECTION 1102-C.2. EXEMPT PARTIES.--THE UNITED STATES, THE COMMONWEALTH OR ANY OF THEIR INSTRUMENTALITIES, AGENCIES OR POLITICAL SUBDIVISIONS, OR VETERANS' SERVICE ORGANIZATIONS SHALL BE EXEMPT FROM PAYMENT OF THE TAX IMPOSED BY THIS ARTICLE. THE EXEMPTION UNDER THIS SECTION SHALL NOT, HOWEVER, RELIEVE ANY OTHER PARTY TO A TRANSACTION FROM LIABILITY FOR THE TAX.

SECTION 7.1. SECTION 1711-D OF THE ACT IS AMENDED BY ADDING DEFINITIONS TO READ:

SECTION 1711-D. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"DETERIORATED PROPERTY." ANY BLIGHTED, IMPOVERISHED AREA
CONTAINING INDUSTRIAL, COMMERCIAL OR OTHER REAL PROPERTY THAT IS
ABANDONED, UNSAFE, VACANT, UNDERVALUED, UNDERUTILIZED,
OVERGROWN, DEFECTIVE, CONDEMNED, DEMOLISHED OR WHICH CONTAINS
ECONOMICALLY UNDESIRABLE LAND USE.

* * *

"FILM PRODUCTION TAX CREDIT DISTRICT." A DISTRICT AUTHORIZED
UNDER SECTION 1716.2-D.

* * *

SECTION 7.2. SECTION 1712-D OF THE ACT IS AMENDED BY ADDING
A SUBSECTION TO READ:

SECTION 1712-D. CREDIT FOR QUALIFIED FILM PRODUCTION EXPENSES.

* * *

(B.1) REVIEW AND APPROVAL OF APPLICATIONS FOR FILM
PRODUCTION TAX CREDIT DISTRICT ACTIVITY.--FOR APPLICATIONS
INVOLVING FILM PRODUCTION EXPENSES INCURRED WITHIN A DESIGNATED
FILM PRODUCTION TAX CREDIT DISTRICT AUTHORIZED UNDER SECTION
1716.2-D, THE DEPARTMENT SHALL ACCEPT APPLICATIONS AT ANY TIME.
APPLICATIONS SHALL BE REVIEWED BY THE DEPARTMENT UTILIZING THE
CRITERIA REQUIRED UNDER SUBSECTION (B). UPON DETERMINING THE
TAXPAYER HAS INCURRED OR WILL INCUR QUALIFIED FILM PRODUCTION
EXPENSES, THE DEPARTMENT SHALL APPROVE THE TAXPAYER FOR A TAX
CREDIT UTILIZING THE TAX CREDITS AUTHORIZED UNDER 1716.2-D, NOT
TO EXCEED THE AMOUNT AUTHORIZED FOR THE FISCAL YEAR.

* * *

SECTION 7.3. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

SECTION 1716.2-D. FILM PRODUCTION TAX CREDIT DISTRICTS.

(A) ESTABLISHMENT.--THE DEPARTMENT MAY DESIGNATE NOT MORE
THAN TWO FILM PRODUCTION TAX CREDIT DISTRICTS FOR THE PURPOSE OF
ENHANCING, PROMOTING AND EXPANDING FILM PRODUCTION OPPORTUNITIES
AND ESTABLISHING A FILM PRODUCTION INDUSTRY WITHIN THIS
COMMONWEALTH.

(B) CRITERIA.--A FILM PRODUCTION TAX CREDIT DISTRICT SHALL:

(1) BE AT LEAST 55 ACRES IN SIZE.

(2) BE LOCATED ON DETERIORATED PROPERTY.

(3) BE COMPRISED OF A PARCEL THAT IS OR WILL BE OCCUPIED

BY TWO OR MORE QUALIFIED BUSINESSES THAT:

(I) IN THE AGGREGATE, MAKE A CAPITAL INVESTMENT OF

AT LEAST $400,000,000 WITHIN THE DISTRICT WITHIN FIVE

YEARS AFTER THE EFFECTIVE DATE OF THE DESIGNATION OF THE

DISTRICT; AND

(II) ARE DEDICATED TO FILM PRODUCTION ACTIVITY,

POSTPRODUCTION ACTIVITY OR OTHER ACTIVITIES THAT DIRECTLY

OR INDIRECTLY SUPPORT FILM PRODUCTION ACTIVITY OCCURRING

WITHIN THE DISTRICT OR WITHIN THIS COMMONWEALTH.

(4) CONTAIN AT LEAST ONE QUALIFIED PRODUCTION FACILITY

AND SIX SOUNDSTAGES.

(C) APPLICATION.--THE FOLLOWING APPLY:

(1) AN APPLICATION TO DESIGNATE A FILM PRODUCTION TAX

CREDIT DISTRICT MAY BE MADE BY THE COUNTY OR MUNICIPALITY IN

WHICH ALL OR PART OF THE DISTRICT WILL BE LOCATED. THE

DEPARTMENT SHALL REVIEW THE APPLICATION AND, IF APPROVED,

ISSUE A DESIGNATION FOR THE FILM PRODUCTION TAX CREDIT

DISTRICT. THE APPLICATION PERIOD SHALL BE SET BY THE

DEPARTMENT.

(2) THE APPLICATION SHALL CONTAIN THE FOLLOWING

INFORMATION:

(I) THE GEOGRAPHIC AREA OF THE PROPOSED FILM

PRODUCTION TAX CREDIT DISTRICT.

(II) A DETAILED MAP OF THE PROPOSED DISTRICT,

INCLUDING GEOGRAPHIC BOUNDARIES, TOTAL AREA AND PRESENT
USE AND CONDITIONS OF THE LAND AND STRUCTURES.

(III) A DESCRIPTION OF THE CURRENT SOCIAL, ECONOMIC
AND DEMOGRAPHIC CHARACTERISTICS OF THE PROPOSED DISTRICT
AND ANTICIPATED IMPROVEMENTS IN EDUCATION, HEALTH, HUMAN
SERVICES, PUBLIC SAFETY AND EMPLOYMENT THAT WILL RESULT
FROM DESIGNATION OF THE DISTRICT.

(IV) A DESCRIPTION OF ANTICIPATED FILM PRODUCTION
ACTIVITY AND ANCILLARY ACTIVITIES IN THE PROPOSED
DISTRICT.

(V) EVIDENCE OF POTENTIAL PRIVATE AND PUBLIC
INVESTMENT IN THE PROPOSED DISTRICT.

(VI) THE ROLE OF THE PROPOSED DISTRICT IN REGIONAL
ECONOMIC AND COMMUNITY DEVELOPMENT.

(D) DESIGNATION PERIOD.--A DISTRICT DESIGNATED UNDER
SUBSECTION (C) SHALL EXPIRE 15 YEARS AFTER THE EFFECTIVE DATE OF
THE DESIGNATION.

(E) CONSTRUCTION.--THE TAX CREDITS AUTHORIZED UNDER THIS
SECTION ARE IN ADDITION TO THE TAX CREDITS UNDER SECTION 1716-
D(A) AND ARE AVAILABLE EXCLUSIVELY FOR ACTIVITIES OCCURRING
WITHIN THE DESIGNATED DISTRICT.

(F) ANNUAL TAX CREDITS.--THE DEPARTMENT MAY AUTHORIZE A TAX
CREDIT FOR A FILM PRODUCTION TAX CREDIT DISTRICT IN FISCAL YEAR
2019-2020 AND IN EACH FISCAL YEAR THEREAFTER.

SECTION 8. ARTICLE XVII-D OF THE ACT IS AMENDED BY ADDING A
SUBARTICLE TO READ:

SUBARTICLE E
ENTERTAINMENT ECONOMIC ENHANCEMENT PROGRAM

SECTION 1771-D. SCOPE OF SUBARTICLE.
THIS SUBARTICLE RELATES TO THE ENTERTAINMENT ECONOMIC
ENHANCEMENT PROGRAM.

20170HB0542PN2259 - 33 -
SECTION 1772-D. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"CLASS 1 VENUE." A STADIUM, ARENA, OTHER STRUCTURE OR PROPERTY OWNED BY A MUNICIPALITY OR AN AUTHORITY FORMED UNDER ARTICLE XXV-A OF THE ACT OF JULY 28, 1953 (P.L.723, NO.230), KNOWN AS THE SECOND CLASS COUNTY CODE, AT WHICH CONCERTS ARE PERFORMED AND WHICH IS ALL OF THE FOLLOWING:

(1) LOCATED IN A CITY OF THE FIRST CLASS OR A COUNTY OF THE SECOND CLASS.

(2) CONSTRUCTED IN A MANNER IN WHICH THE VENUE HAS A SEATING CAPACITY OF AT LEAST 14,000.

"CLASS 2 VENUE." A STADIUM, ARENA OR OTHER STRUCTURE AT WHICH CONCERTS ARE PERFORMED AND WHICH IS ALL OF THE FOLLOWING:

(1) LOCATED OUTSIDE THE GEOGRAPHIC BOUNDARIES OF A CITY OF THE FIRST CLASS OR A COUNTY OF THE SECOND CLASS.

(2) CONSTRUCTED IN A MANNER IN WHICH THE VENUE HAS A SEATING CAPACITY OF AT LEAST 6,000.

"CLASS 3 VENUE." A STADIUM, ARENA OR OTHER STRUCTURE WHICH IS ANY OF THE FOLLOWING:

(1) LOCATED WITHIN A NEIGHBORHOOD IMPROVEMENT ZONE, AS DEFINED IN SECTION 1902-B.

(2) OWNED BY OR AFFILIATED WITH A STATE-RELATED INSTITUTION AS DEFINED IN 62 PA.C.S. § 103 (RELATING TO DEFINITIONS).

(3) OWNED BY THE COMMONWEALTH AND AFFILIATED WITH THE STATE SYSTEM OF HIGHER EDUCATION.

"CONCERT." A LIVE PERFORMANCE OF MUSIC IN THE PRESENCE OF INDIVIDUALS WHO VIEW THE PERFORMANCE.
"CONCERT TOUR EQUIPMENT." INCLUDES STAGE, SET, SCENERY, DESIGN ELEMENTS, AUTOMATION, RIGGING, TRUSSES, SPOTLIGHTS, LIGHTING, SOUND EQUIPMENT, VIDEO EQUIPMENT, SPECIAL EFFECTS, CASES, COMMUNICATION DEVICES, POWER DISTRIBUTION EQUIPMENT, BACKLINE AND OTHER MISCELLANEOUS EQUIPMENT OR SUPPLIES USED DURING A CONCERT OR REHEARSAL.

"DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH.

"MAINTAINED A PLACE OF BUSINESS" OR "MAINTAINING A PLACE OF BUSINESS." ALL OF THE FOLLOWING:

(1) HAVING, MAINTAINING OR USING WITHIN THIS COMMONWEALTH AN OFFICE, WAREHOUSE OR OTHER PLACE OF BUSINESS.

(2) REGULARLY ENGAGING IN AN ACTIVITY AS A BUSINESS WITHIN THIS COMMONWEALTH IN CONNECTION WITH THE LEASE, SALE OR DELIVERY OF TANGIBLE PERSONAL PROPERTY OR THE PERFORMANCE OF A SERVICE FOR RESIDENTS OF THIS COMMONWEALTH.

"MINIMUM REHEARSAL AND TOUR REQUIREMENTS." DURING A TOUR, ALL OF THE FOLLOWING MUST OCCUR:

(1) THE PURCHASE OR RENTAL OF CONCERT TOUR EQUIPMENT DELIVERED TO A LOCATION IN THIS COMMONWEALTH, IN AN AMOUNT OF AT LEAST $3,000,000, FROM COMPANIES LOCATED AND MAINTAINING A PLACE OF BUSINESS IN THIS COMMONWEALTH FOR USE ON THE TOUR.

(2) A REHEARSAL AT A QUALIFIED REHEARSAL FACILITY FOR A MINIMUM OF 10 DAYS.

(3) AT LEAST ONE CONCERT PERFORMED AT A CLASS 1 VENUE.

(4) AT LEAST ONE CONCERT PERFORMED AT A VENUE WHICH IS LOCATED IN A MUNICIPALITY OTHER THAN THE MUNICIPALITY IN WHICH THE CLASS 1 VENUE UNDER PARAGRAPH (3) IS LOCATED.

"PASS-THROUGH ENTITY." ANY OF THE FOLLOWING:

(1) A PARTNERSHIP AS DEFINED IN SECTION 301(N.0).
(2) A PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION 301(N.1).

(3) AN UNINCORPORATED ENTITY SUBJECT TO SECTION 307.21.

"PENNSYLVANIA REHEARSAL AND TOUR EXPENSES." THE SUM OF PENNSYLVANIA REHEARSAL EXPENSES AND TOUR EXPENSES. THE TERM INCLUDES PENNSYLVANIA REHEARSAL EXPENSES AND TOUR EXPENSES PAID PRIOR TO OR DURING A REHEARSAL OR TOUR.

"PENNSYLVANIA REHEARSAL EXPENSE." A REHEARSAL EXPENSE WHICH IS INCURRED OR WILL BE INCURRED WITHIN THIS COMMONWEALTH. THE TERM INCLUDES:

(1) A PAYMENT WHICH IS MADE OR WILL BE MADE BY A RECIPIENT TO A PERSON UPON WHICH WITHHOLDING WILL BE MADE ON THE PAYMENT BY THE RECIPIENT AS REQUIRED UNDER PART VII OF ARTICLE III OR A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PERSON WHO IS REQUIRED TO MAKE ESTIMATED PAYMENTS UNDER PART VIII OF ARTICLE III.

(2) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL TALENT IF THE TAX IMPOSED BY ARTICLE IV WILL BE PAID OR ACCRUED ON THE NET INCOME OF THE CORPORATION FOR THE TAXABLE YEAR.

(3) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PASS-THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT FOR WHICH WITHHOLDING WILL BE MADE BY THE PASS-THROUGH ENTITY ON THE PAYMENT AS REQUIRED UNDER PART VII OR VII-A OF ARTICLE III.

"QUALIFIED REHEARSAL AND TOUR EXPENSE." ALL PENNSYLVANIA REHEARSAL AND TOUR EXPENSES IF PENNSYLVANIA REHEARSAL EXPENSES COMPRISE OR WILL COMPRISE AT LEAST 60% OF THE TOTAL REHEARSAL EXPENSES. THE TERM SHALL NOT INCLUDE MORE THAN $2,000,000 IN THE AGGREGATE OF COMPENSATION PAID OR TO BE PAID TO INDIVIDUALS OR PAYMENT MADE OR TO BE MADE TO ENTITIES REPRESENTING AN
INDIVIDUAL FOR SERVICES PROVIDED IN THE TOUR.

"QUALIFIED REHEARSAL FACILITY." A REHEARSAL FACILITY WHICH MEETS AT LEAST SIX OF THE FOLLOWING CRITERIA:

(1) HAS HAD A MINIMUM OF $8,000,000 INVESTED IN THE REHEARSAL FACILITY IN LAND OR STRUCTURE, OR A COMBINATION OF LAND AND STRUCTURE.

(2) HAS A PERMANENT GRID SYSTEM WITH A CAPACITY OF 1,000,000 POUNDS.

(3) HAS A BUILT-IN POWER SUPPLY SYSTEM AVAILABLE AT A MINIMUM OF 3,200 AMPS WITHOUT THE NEED FOR SUPPLEMENTAL GENERATORS.

(4) HAS A HEIGHT FROM FLOOR TO PERMANENT GRID OF A MINIMUM OF 80 FEET.

(5) HAS AT LEAST TWO SLIDING OR ROLL-UP ACCESS DOORS WITH A MINIMUM HEIGHT OF 14 FEET.

(6) HAS A PERIMETER SECURITY SYSTEM WHICH INCLUDES 24-HOUR, SEVEN-DAYS-A-WEEK SECURITY CAMERAS AND THE USE OF ACCESS CONTROL IDENTIFICATION BADGES.

(7) HAS A SERVICE AREA WITH PRODUCTION OFFICES, CATERING AND DRESSING ROOMS WITH A MINIMUM OF 5,000 SQUARE FEET.

(8) IS LOCATED WITHIN ONE MILE OF A MINIMUM OF TWO COMPANIES WHICH PROVIDE CONCERT TOUR EQUIPMENT FOR USE ON A TOUR.

"QUALIFIED TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED UNDER ARTICLE III, IV, VI, VII OR IX. THE TERM DOES NOT INCLUDE TAX WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER ARTICLE III.

"RECIPIENT." A TAXPAYER THAT HAS BEEN AWARDED A TAX CREDIT UNDER SECTION 1773-D(E).

"REHEARSAL." AN EVENT OR SERIES OF EVENTS WHICH OCCUR IN PREPARATION FOR A TOUR PRIOR TO THE START OF THE TOUR OR DURING 20170HB0542PN2259
A TOUR WHEN ADDITIONAL PREPARATION MAY BE NEEDED.

"REHEARSAL EXPENSE." ALL OF THE FOLLOWING WHEN INCURRED OR WILL BE INCURRED DURING A REHEARSAL:

(1) COMPENSATION PAID OR TO BE PAID TO AN INDIVIDUAL EMPLOYED IN THE REHEARSAL OF THE PERFORMANCE.

(2) PAYMENT TO A PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL TALENT.

(3) PAYMENT TO A PASS-THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT.

(4) THE COSTS OF CONSTRUCTION, OPERATIONS, EDITING, PHOTOGRAPHY, STAGING, LIGHTING, WARDROBE AND ACCESSORIES.

(5) THE COST OF LEASING VEHICLES.

(6) THE COST OF TRANSPORTATION OF PEOPLE OR CONCERT TOUR EQUIPMENT TO OR FROM A TRAIN STATION, BUS DEPOT, AIRPORT OR OTHER TRANSPORTATION FACILITY OR DIRECTLY FROM A RESIDENCE OR BUSINESS ENTITY.

(7) THE COST OF INSURANCE COVERAGE.

(8) THE COST OF FOOD AND LODGING.

(9) THE COST OF PURCHASE OR RENTAL OF CONCERT TOUR EQUIPMENT.

(10) THE COST OF RENTING A REHEARSAL FACILITY.

(11) THE COST OF EMERGENCY OR MEDICAL SUPPORT SERVICES REQUIRED TO CONDUCT A REHEARSAL.

"REHEARSAL FACILITY." AS FOLLOWS:

(1) A FACILITY PRIMARILY USED FOR REHEARSALS WHICH IS ALL OF THE FOLLOWING:

(I) LOCATED WITHIN THIS COMMONWEALTH.

(II) HAS A MINIMUM OF 25,000 SQUARE FEET OF COLUMN-FREE, UNOBSSTRUCTED FLOOR SPACE.

(2) THE TERM DOES NOT INCLUDE A FACILITY AT WHICH
CONCERTS ARE CAPABLE OF BEING HELD.

"START DATE." THE DATE THE FIRST SET OF CONCERT TOUR
EQUIPMENT ARRIVES OR IS EXPECTED TO ARRIVE AT A QUALIFIED
REHEARSAL FACILITY.

"TAX CREDIT." THE CONCERT REHEARSAL AND TOUR TAX CREDIT AS
PROVIDED UNDER THIS SUBARTICLE.

"TAXPAYER." A CONCERT TOUR PROMOTION COMPANY, CONCERT TOUR
MANAGEMENT COMPANY OR OTHER CONCERT MANAGEMENT COMPANY SUBJECT
TO TAX UNDER ARTICLE III, IV OR VI. THE TERM DOES NOT INCLUDE
CONTRACTORS OR SUBCONTRACTORS OF A CONCERT TOUR PROMOTION
COMPANY, CONCERT TOUR MANAGEMENT COMPANY OR OTHER CONCERT
MANAGEMENT COMPANY.

"TOUR." A SERIES OF CONCERTS PERFORMED OR TO BE PERFORMED BY
A MUSICAL PERFORMER IN MORE THAN ONE LOCATION. THE TERM INCLUDES
AT LEAST ONE REHEARSAL.

"TOUR EXPENSE." AS FOLLOWS:

(1) COSTS INCURRED OR WHICH WILL BE INCURRED DURING A
TOUR FOR VENUES LOCATED IN THIS COMMONWEALTH. THE TERM
INCLUDES ALL OF THE FOLLOWING:

(I) A PAYMENT WHICH IS MADE OR WILL BE MADE BY A
RECIPIENT TO A PERSON UPON WHICH WITHHOLDING WILL BE MADE
ON THE PAYMENT BY THE RECIPIENT AS REQUIRED UNDER PART
VII OF ARTICLE III OR A PAYMENT WHICH IS MADE OR WILL BE
MADE TO A PERSON WHO IS REQUIRED TO MAKE ESTIMATED
PAYMENTS UNDER PART VIII OF ARTICLE III.

(II) THE COST OF TRANSPORTATION OF PEOPLE OR CONCERT
TOURING EQUIPMENT WHICH IS INCURRED OR WILL BE INCURRED
WHILE TRANSPORTING TO OR FROM A TRAIN STATION, BUS DEPOT,
AIRPORT OR OTHER TRANSPORTATION FACILITY OR WHILE
TRANSPORTING DIRECTLY FROM A RESIDENCE OR BUSINESS ENTITY
LOCATED IN THIS COMMONWEALTH, OR WHICH IS INCURRED OR
WILL BE INCURRED FOR TRANSPORTATION PROVIDED BY A COMPANY
WHICH IS SUBJECT TO THE TAX IMPOSED UNDER ARTICLE III OR
IV.

(III) THE COST OF LEASING VEHICLES UPON WHICH THE
TAX IMPOSED BY ARTICLE II WILL BE PAID OR ACCRUED.

(IV) THE COST OF INSURANCE COVERAGE WHICH IS
PURCHASED OR WILL BE PURCHASED THROUGH AN INSURANCE AGENT
BASED IN THIS COMMONWEALTH.

(V) THE COST OF PURCHASING OR RENTING FACILITIES AND
EQUIPMENT FROM OR THROUGH A RESIDENT OF THIS COMMONWEALTH
OR AN ENTITY SUBJECT TO TAXATION IN THIS COMMONWEALTH.

(VI) THE COST OF FOOD AND LODGING WHICH IS INCURRED
OR WILL BE INCURRED FROM A FACILITY LOCATED IN THIS
COMMONWEALTH.

(VII) EXPENSES WHICH ARE INCURRED OR WILL BE
INCURRED IN MARKETING OR ADVERTISING A TOUR AT VENUES
LOCATED WITHIN THIS COMMONWEALTH.

(VIII) THE COST OF MERCHANDISE WHICH IS PURCHASED OR
WILL BE PURCHASED FROM A COMPANY LOCATED WITHIN THIS
COMMONWEALTH AND USED ON THE TOUR.

(IX) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A
PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL
TALENT IF THE TAX IMPOSED BY ARTICLE IV WILL BE PAID OR
ACCRUED ON THE NET INCOME OF THE CORPORATION FOR THE
TAXABLE YEAR.

(X) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A
PASS-THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT FOR
WHICH WITHHOLDING WILL BE MADE BY THE PASS-THROUGH ENTITY
ON THE PAYMENT AS REQUIRED UNDER PART VII OR VII-A OF

20170HB0542PN2259 - 40 -
ARTICLE III.

(2) THE TERM DOES NOT INCLUDE DEVELOPMENT COST, INCLUDING THE WRITING OF MUSIC OR LYRICS.

"VENUE." A CLASS 1, CLASS 2 OR CLASS 3 VENUE.

SECTION 1773-D. PROCEDURE.

(A) APPLICATION.--A TAXPAYER MAY APPLY TO THE DEPARTMENT FOR A TAX CREDIT UNDER THIS SECTION. THE APPLICATION SHALL BE ON THE FORM REQUIRED BY THE DEPARTMENT.

(B) REVIEW AND APPROVAL.--

(1) THE DEPARTMENT SHALL ESTABLISH APPLICATION PERIODS NOT TO EXCEED 30 DAYS. ALL APPLICATIONS RECEIVED DURING AN APPLICATION PERIOD SHALL BE REVIEWED AND EVALUATED BY THE DEPARTMENT BASED ON THE FOLLOWING CRITERIA:

(I) THE ANTICIPATED NUMBER OF REHEARSAL DAYS IN A QUALIFIED REHEARSAL FACILITY.

(II) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 1 VENUES.

(III) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 2 VENUES.

(IV) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 3 VENUES.

(V) THE ANTICIPATED AMOUNT OF PENNSYLVANIA REHEARSAL EXPENSES IN COMPARISON TO THE ANTICIPATED AGGREGATE AMOUNT OF REHEARSAL EXPENSES.

(VI) THE ANTICIPATED AMOUNT OF THE TOUR EXPENSES.

(VII) THE ANTICIPATED AMOUNT OF THE CONCERT TOUR EQUIPMENT EXPENSES WHICH ARE OR WILL BE PURCHASED OR RENTED FROM A COMPANY LOCATED AND MAINTAINING A PLACE OF BUSINESS IN THIS COMMONWEALTH AND WHICH WILL BE USED ON THE TOUR.
(VIII) THE ANTICIPATED NUMBER OF DAYS SPENT IN COMMONWEALTH HOTELS.

(IX) OTHER CRITERIA THAT THE DEPARTMENT DEEMS APPROPRIATE TO ENSURE MAXIMUM EMPLOYMENT OPPORTUNITIES AND ENTERTAINMENT BENEFITS FOR THE RESIDENTS OF THIS COMMONWEALTH.

(2) EXCEPT AS PROVIDED IN SUBSECTION (C) AND UPON DETERMINING THAT THE TAXPAYER HAS PAID THE APPLICABLE APPLICATION FEE NOT TO EXCEED $300, HAS MET OR WILL MEET THE MINIMUM REHEARSAL AND TOUR REQUIREMENTS AND HAS INCURRED OR WILL INCUR QUALIFIED REHEARSAL AND TOUR EXPENSES, THE DEPARTMENT MAY APPROVE THE TAXPAYER FOR A TAX CREDIT. APPLICATIONS NOT APPROVED MAY BE REVIEWED AND CONSIDERED IN SUBSEQUENT APPLICATION PERIODS. THE DEPARTMENT MAY APPROVE A TAXPAYER FOR A TAX CREDIT BASED ON ITS EVALUATION OF THE CRITERIA UNDER THIS SUBSECTION.

(C) RESTRICTION.--THE DEPARTMENT MAY ONLY CONSIDER REHEARSALS HELD OR TO BE HELD, AND QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED, AFTER JANUARY 1, 2017, IN DETERMINING WHETHER A TAXPAYER HAS MET OR WILL MEET THE MINIMUM REHEARSAL AND TOUR REQUIREMENTS.

(D) CONTRACT.--IF THE DEPARTMENT APPROVES THE TAXPAYER'S APPLICATION UNDER SUBSECTION (B), THE DEPARTMENT AND THE TAXPAYER SHALL ENTER INTO A CONTRACT CONTAINING THE FOLLOWING:

(1) AN ITEMIZED LIST OF REHEARSAL EXPENSES INCURRED OR TO BE INCURRED FOR THE TOUR.

(2) AN ITEMIZED LIST OF PENNSYLVANIA REHEARSAL EXPENSES INCURRED OR TO BE INCURRED FOR THE TOUR.

(3) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO INCUR
THE PENNSYLVANIA REHEARSAL EXPENSES AS ITEMIZED.

(4) AN ITEMIZED LIST OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED FOR THE TOUR.

(5) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO INCUR THE QUALIFIED REHEARSAL AND TOUR EXPENSES AS ITEMIZED.

(6) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO HOLD AT LEAST ONE CONCERT AT A CLASS 1 VENUE.

(7) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO HOLD AT LEAST ONE CONCERT AT A VENUE LOCATED IN A MUNICIPALITY OTHER THAN THE MUNICIPALITY IN WHICH THE CLASS 1 VENUE UNDER PARAGRAPH (6) IS LOCATED.

(8) THE START DATE OR THE EXPECTED START DATE.

(9) ANY OTHER INFORMATION THE DEPARTMENT DEEMS APPROPRIATE.

(E) CERTIFICATE.--UPON EXECUTION OF THE CONTRACT REQUIRED BY SUBSECTION (D), THE DEPARTMENT SHALL AWARD THE TAXPAYER A CONCERT REHEARSAL AND TOUR TAX CREDIT AND ISSUE THE RECIPIENT A TAX CREDIT CERTIFICATE.

SECTION 1774-D. CLAIM.

BEGINNING JULY 1, 2017, A RECIPIENT MAY CLAIM A CONCERT REHEARSAL AND TOUR TAX CREDIT AGAINST THE QUALIFIED TAX LIABILITY OF THE RECIPIENT.

SECTION 1775-D. CARRYOVER, CARRYBACK AND ASSIGNMENT OF TAX CREDIT.

(A) GENERAL RULE.--IF A RECIPIENT CANNOT USE THE ENTIRE AMOUNT OF A TAX CREDIT FOR THE TAXABLE YEAR IN WHICH THE TAX CREDIT IS FIRST APPROVED, THE EXCESS MAY BE CARRIED OVER TO
SUCCEEDING TAXABLE YEARS AND USED AS A TAX CREDIT AGAINST THE QUALIFIED TAX LIABILITY OF THE RECIPIENT FOR THOSE TAXABLE YEARS. EACH TIME THE TAX CREDIT IS CARRIED OVER TO A SUCCEEDING TAXABLE YEAR, THE TAX CREDIT SHALL BE REDUCED BY THE AMOUNT THAT WAS USED AS A CREDIT DURING THE IMMEDIATELY PRECEDING TAXABLE YEAR. THE TAX CREDIT MAY BE CARRIED OVER AND APPLIED TO SUCCEEDING TAXABLE YEARS FOR NO MORE THAN THREE TAXABLE YEARS FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE RECIPIENT WAS ENTITLED TO CLAIM THE TAX CREDIT.

(B) APPLICATION.--A TAX CREDIT APPROVED BY THE DEPARTMENT IN A TAXABLE YEAR FIRST SHALL BE APPLIED AGAINST THE RECIPIENT'S QUALIFIED TAX LIABILITY FOR THE CURRENT TAXABLE YEAR AS OF THE DATE ON WHICH THE TAX CREDIT WAS APPROVED BEFORE THE TAX CREDIT CAN BE APPLIED AGAINST TAX LIABILITY UNDER SUBSECTION (A).

(C) NO CARRYBACK OR REFUND.--A RECIPIENT SHALL NOT BE ENTITLED TO CARRY BACK OR OBTAIN A REFUND OF ANY PORTION OF AN UNUSED TAX CREDIT GRANTED TO THE RECIPIENT UNDER THIS SUBARTICLE.

(D) SALE OR ASSIGNMENT.--THE FOLLOWING SHALL APPLY:

(1) A RECIPIENT, UPON APPLICATION TO AND APPROVAL BY THE DEPARTMENT, MAY SELL OR ASSIGN, IN WHOLE OR IN PART, A TAX CREDIT GRANTED TO THE RECIPIENT UNDER THIS SUBARTICLE.

(2) THE DEPARTMENT AND THE DEPARTMENT OF REVENUE SHALL JOINTLY PROMULGATE REGULATIONS FOR THE APPROVAL OF APPLICATIONS UNDER THIS SUBSECTION.

(3) BEFORE AN APPLICATION IS APPROVED, THE DEPARTMENT OF REVENUE MUST MAKE A FINDING THAT THE RECIPIENT HAS FILED ALL REQUIRED STATE TAX REPORTS AND RETURNS FOR ALL APPLICABLE TAXABLE YEARS AND PAID ANY BALANCE OF STATE TAX DUE AS DETERMINED AT SETTLEMENT, ASSESSMENT OR DETERMINATION BY THE
DEPARTMENT OF REVENUE.

(4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
DEPARTMENT OF REVENUE SHALL SETTLE, ASSESS OR DETERMINE THE
TAX OF A TAXPAYER UNDER THIS SUBSECTION WITHIN 60 DAYS OF THE
FILING OF ALL REQUIRED FINAL RETURNS OR REPORTS IN ACCORDANCE
WITH SECTION 806.1(A)(5) OF THE ACT OF APRIL 9, 1929
(P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

(E) PURCHASERS AND ASSIGNEES.--THE FOLLOWING APPLY:

(1) THE PURCHASER OR ASSIGNEE OF ALL OR A PORTION OF A
TAX CREDIT UNDER SUBSECTION (D) SHALL IMMEDIATELY CLAIM THE
TAX CREDIT IN THE TAXABLE YEAR IN WHICH THE PURCHASE OR
ASSIGNMENT IS MADE.

(2) THE AMOUNT OF THE TAX CREDIT THAT A PURCHASER OR
ASSIGNEE MAY USE AGAINST ONE QUALIFIED TAX LIABILITY MAY NOT
EXCEED 50% OF THE QUALIFIED TAX LIABILITY FOR THE TAXABLE
YEAR.

(3) THE PURCHASER OR ASSIGNEE MAY NOT CARRY FORWARD,
CARRY BACK OR OBTAIN A REFUND OF OR SELL OR ASSIGN THE TAX
CREDIT.

(4) THE PURCHASER OR ASSIGNEE SHALL NOTIFY THE
DEPARTMENT OF REVENUE OF THE SELLER OR ASSIGNOR OF THE TAX
CREDIT IN COMPLIANCE WITH PROCEDURES SPECIFIED BY THE
DEPARTMENT OF REVENUE.

SECTION 1776-D. DETERMINATION OF PENNSYLVANIA REHEARSAL AND
TOUR EXPENSES.

WHEN PRESCRIBING STANDARDS FOR DETERMINING WHICH REHEARSAL OR
TOUR EXPENSES ARE CONSIDERED PENNSYLVANIA REHEARSAL AND TOUR
EXPENSES FOR PURPOSES OF COMPUTING THE TAX CREDIT PROVIDED BY
THIS SUBARTICLE, THE DEPARTMENT SHALL CONSIDER:

(1) THE LOCATION WHERE SERVICES ARE PERFORMED.
(2) THE LOCATION WHERE CONCERT TOUR EQUIPMENT IS PURCHASED, RENTED, DELIVERED AND USED.

(3) THE LOCATION WHERE REHEARSALS OR CONCERTS ARE HELD.

(4) OTHER FACTORS THE DEPARTMENT DETERMINES ARE RELEVANT.

SECTION 1777-D. LIMITATIONS.

(A) CAP.--EXCEPT AS PROVIDED IN THIS SUBSECTION, THE DEPARTMENT MAY NOT AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO MORE THAN FIVE TOURS IN A FISCAL YEAR. IN A FISCAL YEAR, THE DEPARTMENT MAY, IN THE DEPARTMENT'S DISCRETION, ADVANCE THE AWARD OF TAX CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO A MAXIMUM OF TWO ADDITIONAL TOURS.

(B) ADVANCE AWARD OF CREDITS.--THE ADVANCE AWARD OF TAX CREDITS UNDER SUBSECTION (A) SHALL:

(1) COUNT AGAINST THE TOTAL NUMBER OF TOURS THAT THE DEPARTMENT MAY AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO A TOUR IN THAT NEXT SUCCEEDING FISCAL YEAR; AND

(2) REDUCE THE NUMBER OF TOURS THAT THE DEPARTMENT MAY AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO A TOUR IN THAT NEXT SUCCEEDING FISCAL YEAR.

(C) INDIVIDUAL LIMITATIONS.--THE FOLLOWING SHALL APPLY:

(1) A TAXPAYER MAY NOT BE AWARDED MORE THAN $800,000 OF TAX CREDITS FOR A TOUR.

(2) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE AGGREGATE AMOUNT OF TAX CREDITS AWARDED BY THE DEPARTMENT UNDER SECTION 1773-D(E) TO A TAXPAYER FOR A TOUR WITH CONCERTS AT TWO CLASS 1 VENUES OR A CLASS 1 VENUE AND A CLASS
(3) Except as provided under paragraph (5), the aggregate amount of tax credits awarded by the department under section 1773-D(E) to a taxpayer for a tour with concerts at a Class 1 venue and a Class 3 venue may not exceed 30% of the qualified rehearsal and tour expenses incurred or to be incurred.

(4) Except as provided under paragraph (5), the aggregate amount of tax credits awarded by the department under section 1773-D(E) to a taxpayer for a tour with concerts at a Class 1 venue and a Class 3 venue which does not serve alcohol may not exceed 35% of the qualified rehearsal and tour expenses incurred or to be incurred.

(5) In addition to the tax credits under paragraph (2), (3) or (4), a taxpayer is eligible for a tax credit in the amount of 5% of the qualified rehearsal and tour expenses incurred or to be incurred by the taxpayer if the taxpayer holds concerts at a total of two or more Class 2 venues or Class 3 venues.

(D) Qualified rehearsal facility.--To be considered a qualified rehearsal facility under this subarticle, the owner of a rehearsal facility shall provide evidence to the department to verify the development or facility specifications and capital improvement costs incurred for the rehearsal facility so that the threshold amounts set in the definition of "qualified rehearsal facility" under section 1772-D are satisfied, and, upon verification, the rehearsal facility shall be registered by the department officially as a qualified rehearsal facility.

(E) Waiver.--The department may make a determination that
THE FINANCIAL BENEFIT TO THIS COMMONWEALTH RESULTING FROM THE DIRECT INVESTMENT IN OR PAYMENTS MADE TO PENNSYLVANIA REHEARSAL AND CONCERT FACILITIES OUTWEIGHS THE BENEFIT OF MAINTAINING THE 60% PENNSYLVANIA REHEARSAL EXPENSES REQUIREMENT CONTAINED IN THE DEFINITION OF "QUALIFIED REHEARSAL AND TOUR EXPENSE" UNDER SECTION 1772-D. IF THE DETERMINATION IS MADE, THE DEPARTMENT MAY WAIVE THE REQUIREMENT THAT 60% OF A TOUR'S AGGREGATE REHEARSAL EXPENSES BE COMPRISED OF PENNSYLVANIA REHEARSAL EXPENSES.

SECTION 1778-D. PENALTY.

A RECIPIENT WHICH CLAIMS A TAX CREDIT AND FAILS TO INCUR THE AMOUNT OF QUALIFIED REHEARSAL AND TOUR EXPENSES AGREED TO UNDER SECTION 1773-D(D)(4) FOR A TOUR IN THAT TAXABLE YEAR SHALL REPAY TO THE COMMONWEALTH AN AMOUNT EQUAL TO 110% OF THE DIFFERENCE BETWEEN THE AMOUNT AGREED TO UNDER SECTION 1773-D(D)(4) AND THE AMOUNT OF QUALIFIED REHEARSAL AND TOUR EXPENSES ACTUALLY INCURRED BY THE RECIPIENT. THE PENALTY SHALL BE ASSESSED AND COLLECTED UNDER ARTICLE II.

SECTION 1779-D. PASS-THROUGH ENTITY.

(A) GENERAL RULE.--IF A PASS-THROUGH ENTITY HAS ANY UNUSED TAX CREDITS UNDER SECTION 1775-D, THE PASS-THROUGH ENTITY MAY ELECT IN WRITING, ACCORDING TO PROCEDURES ESTABLISHED BY THE DEPARTMENT OF REVENUE, TO TRANSFER ALL OR A PORTION OF THE TAX CREDITS TO SHAREHOLDERS, MEMBERS OR PARTNERS IN PROPORTION TO THE SHARE OF THE ENTITY'S DISTRIBUTIVE INCOME TO WHICH EACH SHAREHOLDER, MEMBER OR PARTNER IS ENTITLED.

(B) LIMITATION.--A PASS-THROUGH ENTITY AND A SHAREHOLDER, MEMBER OR PARTNER OF A PASS-THROUGH ENTITY MAY NOT CLAIM THE TAX CREDIT UNDER SUBSECTION (A) FOR THE SAME QUALIFIED REHEARSAL AND TOUR EXPENSE.

(C) APPLICATION.--A SHAREHOLDER, MEMBER OR PARTNER OF A...
PASS-THROUGH ENTITY TO WHOM A TAX CREDIT IS TRANSFERRED UNDER SUBSECTION (A) SHALL IMMEDIATELY CLAIM THE TAX CREDIT IN THE TAXABLE YEAR IN WHICH THE TRANSFER IS MADE. THE SHAREHOLDER, MEMBER OR PARTNER MAY NOT CARRY FORWARD, CARRY BACK, OBTAIN A REFUND OF OR SELL OR ASSIGN THE TAX CREDIT.

SECTION 1780-D. DEPARTMENT GUIDELINES AND REGULATIONS.

THE DEPARTMENT SHALL DEVELOP WRITTEN GUIDELINES FOR THE IMPLEMENTATION OF THIS SUBARTICLE. THE GUIDELINES SHALL BE IN EFFECT UNTIL THE DEPARTMENT PROMULGATES REGULATIONS FOR THE IMPLEMENTATION OF THIS SUBARTICLE.

SECTION 1781-D. REPORT TO GENERAL ASSEMBLY.


20170HB0542PN2259 - 49 -
(1) THE AMOUNT OF TAX CREDITS CLAIMED DURING THE FISCAL YEAR BY TOUR.

(2) THE TOTAL AMOUNT SPENT IN THIS COMMONWEALTH DURING THE FISCAL YEAR BY TOURS AND CONCERT TOUR PROMOTION COMPANIES FOR SERVICES AND SUPPLIES.

(3) THE TOTAL AMOUNT OF TAX REVENUES, BOTH DIRECTLY AND INDIRECTLY, GENERATED FOR THE COMMONWEALTH DURING THE FISCAL YEAR BY THE CONCERT REHEARSAL AND TOUR INDUSTRY.

SECTION 9. SECTIONS 1813-C AND 1814-C OF THE ACT, AMENDED JULY 13, 2016 (P.L.526, NO.84), ARE AMENDED TO READ:

SECTION 1813-C. RESTRICTIONS.

(A) UTILIZATION.--MONEY TRANSFERRED UNDER SECTION 1812-C MAY ONLY BE UTILIZED FOR THE FOLLOWING:

(1) PAYMENT OF DEBT SERVICE ON BONDS ISSUED OR REFINANCED FOR THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, INCLUDING RELATED INFRASTRUCTURE AND SITE PREPARATION, RECONSTRUCTION, RENOVATION OR REFINANCING OF A FACILITY IN THE ZONE AND NORMAL AND CUSTOMARY FEES FOR PROFESSIONAL SERVICES ASSOCIATED WITH THE ISSUANCE OR REFINANCE OF THE BONDS.

(2) ACQUISITION, DEVELOPMENT, CONSTRUCTION, INCLUDING RELATED INFRASTRUCTURE AND SITE PREPARATION, RECONSTRUCTION, RENOVATION OR REFINANCING OF ALL OR A PART OF A FACILITY.

(3) REPLENISHMENT OF AMOUNTS IN DEBT SERVICE RESERVE FUNDS ESTABLISHED TO PAY DEBT SERVICE ON BONDS.

(4) EMPLOYMENT OF AN INDEPENDENT AUDITING FIRM TO PERFORM THE DUTIES UNDER SECTION 1807-C(C).

(5) IMPROVEMENT OR DEVELOPMENT OF ALL OR PART OF A ZONE.

(6) IMPROVEMENT PROJECTS, INCLUDING FIXTURES AND EQUIPMENT FOR A FACILITY OWNED, IN WHOLE OR IN PART, BY A
PUBLIC AUTHORITY.

(7) PAYMENT OR REIMBURSEMENT OF REASONABLE ADMINISTRATIVE, AUDITING AND COMPLIANCE SERVICES REQUIRED BY THIS ARTICLE. REASONABLE ADMINISTRATIVE COSTS MAY NOT EXCEED 5% OF THE MONEY TRANSFERRED UNDER SECTION 1812-C. FOR PURPOSES OF THIS PARAGRAPH, PROFESSIONAL SERVICES SHALL NOT BE CONSIDERED ADMINISTRATIVE COSTS.

(B) PROHIBITION.--MONEY TRANSFERRED UNDER SECTION 1812-C MAY NOT BE UTILIZED FOR MAINTENANCE OR REPAIR OF A FACILITY.

(C) EXCESS MONEY.--

(1) [IF] EXCEPT AS SET FORTH IN PARAGRAPH (4), IF THE AMOUNT OF MONEY TRANSFERRED TO THE FUND UNDER SECTIONS 1811-C(C) AND 1812-C IN ANY ONE CALENDAR YEAR EXCEEDS THE MONEY UTILIZED UNDER THIS SECTION IN THAT CALENDAR YEAR, THE CONTRACTING AUTHORITY SHALL SUBMIT BY APRIL 15 FOLLOWING THE END OF THE CALENDAR YEAR THE EXCESS MONEY TO THE STATE TREASURER FOR DEPOSIT INTO THE GENERAL FUND.


(3) THE EXCESS MONEY SHALL BE CREDITED TO THE CONTRACTING AUTHORITY AND APPLIED TO THE AMOUNT REQUIRED TO BE REPAYED UNDER SECTION 1812-C(C)(5) UNTIL THERE IS FULL REPAYMENT.

(4) PARAGRAPH (1) DOES NOT APPLY TO MONEY UTILIZED IN A PILOT ZONE.

(D) MATCHING FUNDS.--

(1) THE AMOUNT OF MONEY TRANSFERRED FROM THE FUND UTILIZED FOR THE ACQUISITION, DEVELOPMENT, CONSTRUCTION,
INCLUDING RELATED SITE PREPARATION AND INFRASTRUCTURE, RECONSTRUCTION OR RENOVATION OF FACILITIES, OR NORMAL AND CUSTOMARY FEES FOR PROFESSIONAL SERVICES SHALL BE MATCHED BY PRIVATE, FEDERAL OR LOCAL MONEY AT A RATIO OF FIVE FUND DOLLARS TO ONE PRIVATE, FEDERAL OR LOCAL DOLLAR. THE CONTRACTING AUTHORITY SHALL VERIFY THE PRIVATE, FEDERAL OR LOCAL MATCH FOR A PROJECT AT THE TIME OF THE BOND AND REPORT PROOF OF THE MATCH TO THE AGENCIES. ALL OF THE FOLLOWING SHALL BE DEEMED PRIVATE MONEY:

(I) EQUITY.

(II) PRIVATE DEVELOPER DEBT AND FINANCING.

(III) SOFT COSTS ASSOCIATED WITH LAND DEVELOPMENT.

(IV) COSTS OF PROFESSIONAL SERVICES ASSOCIATED WITH DEVELOPMENT.

(V) COSTS ASSOCIATED WITH IMPROVEMENTS OF THE PARCEL.

(VI) COSTS OF LAND ACQUISITION AND REAL ESTATE TRANSACTIONS.

(1.1) PRIVATE, FEDERAL OR LOCAL DOLLARS INVESTED IN ANY SINGLE YEAR OR MULTIPLE YEARS MAY BE AMORTIZED OVER THE TERM OF THE PRIVATE OR PUBLIC FINANCING PROVIDED TO THE PROJECT IN ORDER TO MEET THE MATCHING FUND RATIO OF FIVE FUND DOLLARS TO ONE PRIVATE, FEDERAL OR LOCAL DOLLAR INVESTED IN THE PROJECT.

CALENDAR YEAR.

(3) IF IT IS DETERMINED THAT INSUFFICIENT PRIVATE, FEDERAL OR LOCAL MONEY WAS UTILIZED UNDER PARAGRAPH (1), THE AMOUNT OF FUND MONEY UTILIZED UNDER PARAGRAPH (1) IN THE PRIOR CALENDAR YEAR SHALL BE DEDUCTED FROM THE NEXT TRANSFER OF THE FUND.

SECTION 1814-C. TRANSFER OF PROPERTY.

(A) PROPERTY.--PARCELS IN A ZONE WHERE A FACILITY HAS NOT BEEN CONSTRUCTED, RECONSTRUCTED OR RENOVATED USING MONEY UNDER THIS ARTICLE MAY BE TRANSFERRED OUT OF THE ZONE, IF THE CONTRACTING AUTHORITY PROVIDES A NOTARIZED CERTIFICATION, CONFIRMED IN THE ANNUAL AUDIT REQUIRED UNDER SECTION 1807-C(C), THAT NO FUND DOLLARS WERE USED ON THE PROPERTY. ADDITIONAL ACREAGE, NOT TO EXCEED THE ACREAGE TRANSFERRED OUT OF THE ZONE, MAY BE [SIMULTANEOUSLY] ADDED TO THE ZONE.

(A.1) PUBLIC MEETING.--PRIOR TO REQUESTING APPROVAL, THE CONTRACTING AUTHORITY SHALL HOLD A PUBLIC MEETING TO CONSIDER THE PROPOSED TRANSFER. AT THE MEETING, ANY INTERESTED PARTY MAY ATTEND AND OFFER COMMENT ON THE PROPOSAL CHANGE.

(A.2) INFEASIBILITY.--

CODE. FOR PURPOSES OF THIS SECTION, ACTIVITY SHALL INCLUDE,
BUT NOT BE LIMITED TO, CONSTRUCTION, BUILDING, RENOVATION,
RECONSTRUCTION, SITE PREPARATION AND SITE DEVELOPMENT.

(2) IF THE CONTRACTING AUTHORITY DETERMINES THAT THE
PROJECT IS NO LONGER FEASIBLE, THE CONTRACTING AUTHORITY
SHALL ISSUE A WRITTEN OPINION WITHIN 45 DAYS OF THE HEARING
SETTING FORTH THE REASONS SUPPORTING THE DETERMINATION AND
VERIFYING THAT NO ACTIVITY HAS TAKEN PLACE. THE DECISION MAY
BE APPEALED IN ACCORDANCE WITH SECTION 1001-A OF THE
PENNSYLVANIA MUNICIPALITIES PLANNING CODE.

(B) APPROVAL.--A TRANSFER UNDER SUBSECTIONS (A) AND (A.2)
MUST BE APPROVED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC
DEVELOPMENT IN CONSULTATION WITH THE OFFICE AND THE DEPARTMENT.

SECTION 10. THE DEFINITION OF "CONTRACTING AUTHORITY" IN
SECTION 1902-B OF THE ACT IS AMENDED TO READ:

SECTION 1902-B. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
CONTEXT CLEARLY INDICATES OTHERWISE:

* * *

"CONTRACTING AUTHORITY." AN AUTHORITY CREATED UNDER 53
PA.C.S. CH. 56 (RELATING TO MUNICIPAL AUTHORITIES) FOR THE
PURPOSE OF DESIGNATING A NEIGHBORHOOD IMPROVEMENT ZONE AND
CONSTRUCTING A FACILITY OR OTHER AUTHORITY CREATED UNDER THE
LAWS OF THIS COMMONWEALTH WHICH IS ELIGIBLE TO APPLY FOR AND
RECEIVE REDEVELOPMENT ASSISTANCE CAPITAL GRANTS UNDER CHAPTER 3
OF THE ACT OF FEBRUARY 9, 1999 (P.L.1, NO.1), KNOWN AS THE
CAPITAL FACILITIES DEBT ENABLING ACT. NOTWITHSTANDING THE
PROVISIONS OF 53 PA.C.S. § 5610 (RELATING TO GOVERNING BODY) AND
ANY OTHER LAW, THE APPOINTMENT OF ANY MEMBER OF THE BOARD OF THE

20170HB0542PN2259 - 54 -
CONTRACTING AUTHORITY FOR THE TERM OF A BOARD MEMBER WHICH
BEGINS AFTER JULY 1, 2017, SHALL BE MADE AS FOLLOWS:

(1) THREE MEMBERS APPOINTED BY THE PRESIDENT PRO TEMPORE
OF THE SENATE;

(2) THREE MEMBERS APPOINTED BY THE LEADER OF THE CAUCUS
OF THE MEMBER OF THE HOUSE OF REPRESENTATIVES WHOSE DISTRICT
INCLUDES THE MAJORITY OF THE ZONE; AND

(3) THREE MEMBERS APPOINTED BY THE MAYOR OF THE CITY IN
WHICH THE ZONE IS LOCATED IN ACCORDANCE WITH 53 PA.C.S. CH.
56.

* * *

SECTION 11. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

SECTION 1904.3-B. TRANSFER OF PROPERTY.

(A) TRANSFER OF PARCELS.--PARCELS IN A ZONE MAY BE
TRANSFERRED OUT OF THE ZONE AND REPLACED WITH PARCELS NOT TO
EXCEED THE ACREAGE TRANSFERRED OUT OF THE ZONE BY THE
CONTRACTING AUTHORITY, IF:

(1) THE DEPARTMENT CERTIFIES THAT THERE IS CURRENTLY NO
ACTIVITY IN THE PARCELS TRANSFERRED IN THE ZONE THAT
GENERATES TAX RECEIPTS OR OTHER REVENUE TO THE COMMONWEALTH.

(2) THE MUNICIPALITY WHERE THE ZONE IS LOCATED CERTIFIES
THAT THERE IS CURRENTLY NO ACTIVITY IN THE PARCELS
TRANSFERRED INTO THE ZONE THAT GENERATES TAX RECEIPTS OR
OTHER REVENUE, OTHER THAN TAXES ON REAL PROPERTY, TO THE
MUNICIPALITY AND THE SCHOOL DISTRICT AND COUNTY WHERE THE
ZONE IS LOCATED.

(B) PUBLIC HEARING.--THE FOLLOWING APPLY:

(1) FOR A PARCEL IDENTIFIED BY THE CONTRACTING AUTHORITY
TO BE TRANSFERRED OUT OF THE ZONE, THE CONTRACTING AUTHORITY
MAY CONDUCT A PUBLIC HEARING PURSUANT TO A REQUEST FROM AN

(2) IF THE CONTRACTING AUTHORITY DETERMINES THAT IT WILL TRANSFER A PARCEL OUT OF THE ZONE, THE CONTRACTING AUTHORITY SHALL ISSUE A WRITTEN OPINION WITHIN 45 DAYS OF THE HEARING SETTING FORTH THE REASONS SUPPORTING THE DETERMINATION.

SECTION 11.1. SECTION 1911-D(C) OF THE ACT, ADDED JULY 13, 2016 (P.L.526, NO.84), IS AMENDED TO READ:

SECTION 1911-D. ADDITIONAL KEYSTONE OPPORTUNITY ZONES.

* * *


* * *

SECTION 11.2. SECTION 2166 OF THE ACT IS AMENDED TO READ:

20170HB0542PN2259 - 56 -
SECTION 2166. TIMELY MAILING TREATED AS TIMELY FILING AND PAYMENT.—NOTWITHSTANDING THE PROVISIONS OF ANY STATE TAX LAW TO THE CONTRARY, WHENEVER A REPORT OR PAYMENT OF ALL OR ANY PORTION OF A STATE TAX IS REQUIRED BY LAW TO BE RECEIVED BY THE DEPARTMENT OR OTHER AGENCY OF THE COMMONWEALTH ON OR BEFORE A DAY CERTAIN, THE TAXPAYER SHALL BE DEEMED TO HAVE COMPLIED WITH THE LAW IF THE LETTER TRANSMITTING THE REPORT OR PAYMENT OF THE TAX WHICH HAS BEEN RECEIVED BY THE DEPARTMENT IS POSTMARKED BY THE UNITED STATES POSTAL SERVICE ON OR PRIOR TO THE FINAL DAY ON WHICH THE PAYMENT IS TO BE RECEIVED. FOR THE PURPOSES OF THIS ARTICLE, PRESENTATION OF A RECEIPT INDICATING THAT THE REPORT OR PAYMENT WAS MAILED BY REGISTERED OR CERTIFIED MAIL ON OR BEFORE THE DUE DATE SHALL BE EVIDENCE OF TIMELY FILING AND PAYMENT. ANY INHERITANCE TAX RETURN FILED AFTER JULY 1, 2013, UNDER SECTION 2136 THAT REPORTS TRANSFERS OF PROPERTY THAT ARE EXEMPT FROM THE INHERITANCE TAX UNDER SECTION 2111(S), (S.1) AND (T) SHALL BE CONSIDERED TIMELY FILED IF FILED WITHIN ONE YEAR OF THE TAX RETURN DUE DATE, INCLUDING AN EXTENDED DUE DATE.

SECTION 12. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

ARTICLE XXII

ELECTRIC GRID VIRTUAL FINANCIAL TRANSACTIONS TAX

SECTION 2201. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"DECREMENT TRANSACTION." A VIRTUAL TRANSACTION THAT IS A CLEARED HOURLY BID, EXPRESSED IN MEGAWATT HOURS, TO PURCHASE ENERGY AT A SPECIFIED LOCATION IN THE DAY-AHEAD ENERGY MARKET IF THE DAY-AHEAD LOCATIONAL MARGINAL PRICE IS LESS THAN OR EQUAL TO THE SPECIFIED BID PRICE.
"ELECTRIC GRID VIRTUAL FINANCIAL TRANSACTION." AN INCREMENT TRANSACTION, DECREMENT TRANSACTION OR AN UP-TO-CONGESTION TRANSACTION.

"INCREMENT TRANSACTION." A VIRTUAL TRANSACTION THAT IS A CLEARED HOURLY OFFER, EXPRESSED IN MEGAWATT HOURS, TO SELL ENERGY AT A SPECIFIED LOCATION IN THE DAY-AHEAD ENERGY MARKET IF THE DAY-AHEAD LOCATIONAL MARGINAL PRICE IS GREATER THAN OR EQUAL TO THE SPECIFIED OFFER PRICE.

"REGIONAL TRANSMISSION ORGANIZATION." AN ENTITY, LOCATED IN THIS COMMONWEALTH, DESIGNATED BY THE FEDERAL ENERGY REGULATORY COMMISSION TO OPERATE A MULTISTATE ELECTRIC GRID, OR ITS AFFILIATES.

"UP-TO-CONGESTION TRANSACTION." A VIRTUAL TRANSACTION THAT IS A CLEARED BID IN THE DAY-AHEAD ENERGY MARKET BASED ON THE DIFFERENCE IN THE LOCATIONAL MARGINAL PRICES BETWEEN TWO POINTS. THE CLEARED UP-TO-CONGESTION BID CONSISTS OF A SPECIFIED SOURCE AND SINK PATH, MEGAWATT HOUR QUANTITY AND A BID SPREAD THAT IDENTIFIES THE AMOUNT THAT THE MARKET PARTICIPANT IS WILLING TO PAY FOR A CONGESTION AND LOSS POSITION BETWEEN THE SOURCE AND THE SINK.

SECTION 2202. IMPOSITION.

THERE IS IMPOSED A TAX AT THE RATE OF FIVE PERCENT ON THE GROSS TRANSACTION AMOUNT WITHOUT DEDUCTION OF ELECTRIC GRID VIRTUAL FINANCIAL TRANSACTIONS IN THE ELECTRICITY MARKETS ADMINISTERED BY THE REGIONAL TRANSMISSION ORGANIZATION. THE TAX SHALL BE IMPOSED ON AND OWED BY THE ENTITY INITIATING THE ELECTRIC GRID VIRTUAL FINANCIAL TRANSACTION IN THE ELECTRICITY MARKETS ADMINISTERED BY THE REGIONAL TRANSMISSION ORGANIZATION. THE TAX SHALL BE ASSESSED ON THE ENTITIES INITIATING ELECTRIC GRID VIRTUAL FINANCIAL TRANSACTIONS AND COLLECTED AT THE TIME OF
SETTLEMENT OF THE ELECTRIC GRID VIRTUAL TRANSACTIONS.

SECTION 2203. REMITTANCE.

(A) TIME.--THE TAX IMPOSED UNDER SECTION 2202 SHALL BE:

(1) DUE ON THE 20TH DAY OF EACH MONTH FOR GROSS TRANSACTION AMOUNTS WITHOUT DEDUCTION ATTRIBUTABLE TO ELECTRIC GRID VIRTUAL TRANSACTIONS OCCURRING IN THE PRIOR CALENDAR MONTH; AND

(2) REMITTED TO THE DEPARTMENT OF REVENUE BY THE REGIONAL TRANSMISSION ORGANIZATION THAT ADMINISTERS THE ELECTRICITY MARKETS IN WHICH THE ELECTRIC GRID VIRTUAL FINANCIAL TRANSACTION WAS INITIATED.

(B) REPORT.--THE TAX SHALL BE REPORTED IN THE FORM OR MANNER REQUIRED BY THE DEPARTMENT OF REVENUE.

SECTION 2204. PROCEDURE AND ENFORCEMENT.

CHAPTERS IV, V, VI, VII AND VIII OF PART VI OF ARTICLE II ARE INCORPORATED BY REFERENCE INTO THIS ARTICLE IN SO FAR AS THEY ARE CONSISTENT WITH THIS ARTICLE AND APPLICABLE TO THE TAX IMPOSED UNDER THIS ARTICLE.

SECTION 13. SECTION 2301(E) OF THE ACT IS AMENDED AND THE SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

SECTION 2301. PUBLIC TRANSPORTATION ASSISTANCE FUND.--* * *

(E) [THERE] EXCEPT AS PROVIDED IN SUBSECTION (E.1), THERE IS HEREBY IMPOSED ON EACH RENTAL OF A MOTOR VEHICLE SUBJECT TO TAX UNDER ARTICLE II A FEE OF TWO DOLLARS ($2) FOR EACH DAY OR PART OF A DAY FOR WHICH THE VEHICLE IS RENTED.

(E.1) (1) THERE IS HEREBY IMPOSED ON EACH RENTAL OF A MOTOR VEHICLE SUBJECT TO TAX UNDER ARTICLE II AND USED IN CARSHARING A FEE FOR EACH DAY OR PART OF A DAY COMPUTED ACCORDING TO THE FOLLOWING SCHEDULE:

<table>
<thead>
<tr>
<th>RENTAL INTERVAL</th>
<th>FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>20170HB0542PN2259</td>
<td>59</td>
</tr>
</tbody>
</table>
(2) For purposes of this subsection, the term "carsharing" shall mean a membership based service that provides an alternative to personal car ownership and which meets the following conditions:

(I) Does not require a trip-specific written agreement each time a member rents a vehicle.

(II) Does not require an attendant to be present at the beginning or end of a rental.

(III) Offers members access to a dispersed network of shared vehicles 24-hours per day, 7 days per week, 365 days per year.

(IV) Allows a vehicle to be rented on a per minute, per hour, per day, or per trip basis, and at per mile or per kilometer rates, which typically include fuel, insurance and maintenance.

Section 13.1. The act is amended by adding articles to read:

Article XXIV

Fireworks

Section 2401. Definitions.

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

"CONSUMER FIREWORKS."

(1) ANY COMBUSTIBLE OR EXPLOSIVE COMPOSITION OR ANY SUBSTANCE OR COMBINATION OF SUBSTANCES WHICH IS INTENDED TO PRODUCE VISIBLE OR AUDIBLE EFFECTS BY COMBUSTION, IS SUITABLE FOR USE BY THE PUBLIC, COMPLIES WITH THE CONSTRUCTION, PERFORMANCE, COMPOSITION AND LABELING REQUIREMENTS PROMULGATED BY THE CONSUMER PRODUCTS SAFETY COMMISSION IN 16 CFR (RELATING TO COMMERCIAL PRACTICES) OR ANY SUCCESSOR REGULATION AND COMPLIES WITH THE PROVISIONS FOR "CONSUMER FIREWORKS" AS DEFINED IN APA 87-1 OR ANY SUCCESSOR STANDARD, THE SALE, POSSESSION AND USE OF WHICH SHALL BE PERMITTED THROUGHOUT THIS COMMONWEALTH.

(2) THE TERM DOES NOT INCLUDE DEVICES AS "GROUND AND HAND-HELD SPARKLING DEVICES," "NOVELTIES" OR "TOY CAPS" IN APA 87-1 OR ANY SUCCESSOR STANDARD, THE SALE, POSSESSION AND USE OF WHICH SHALL BE PERMITTED AT ALL TIMES THROUGHOUT THIS COMMONWEALTH.

"DISPLAY FIREWORKS." LARGE FIREWORKS TO BE USED SOLELY BY PROFESSIONAL PYROTECHNICIANS LICENSED BY THE DEPARTMENT OF AGRICULTURE AND DESIGNED PRIMARILY TO PRODUCE VISIBLE OR AUDIBLE EFFECTS BY COMBUSTION, DEFLAGRATION OR DETONATION. THE TERM INCLUDES, BUT IS NOT LIMITED TO:

(1) SALUTES THAT CONTAIN MORE THAN TWO GRAINS OR 130 MILLIGRAMS OF EXPLOSIVE MATERIALS;

(2) AERIAL SHELLS CONTAINING MORE THAN 60 GRAMS OF PYROTECHNIC COMPOSITIONS; AND

(3) OTHER DISPLAY PIECES THAT EXCEED THE LIMITS OF EXPLOSIVE MATERIALS FOR CLASSIFICATION AS CONSUMER FIREWORKS AND ARE CLASSIFIED AS FIREWORKS UN0333, UN0334 OR UN0335 UNDER 49 CFR 172.101 (RELATING TO PURPOSE AND USE OF...
HAZARDOUS MATERIALS TABLE).

"MUNICIPALITY." A CITY, BOROUGH, INCORPORATED TOWN OR TOWNSHIP.

"NFPA 1124." THE NATIONAL FIRE PROTECTION ASSOCIATION STANDARD 1124, CODE FOR THE MANUFACTURE, TRANSPORTATION AND STORAGE OF FIREWORKS AND PYROTECHNIC ARTICLES, 2017 EDITION, OR ANY SUBSEQUENT EDITION.

"OCCUPIED STRUCTURE." A STRUCTURE, VEHICLE OR PLACE ADAPTED FOR OVERNIGHT ACCOMMODATION OF PERSONS OR FOR CONDUCTING BUSINESS WHETHER OR NOT A PERSON IS ACTUALLY PRESENT.

"OUTDOOR STORAGE UNIT." A CONSUMER FIREWORKS BUILDING, TRAILER, SEMITRAILER, METAL SHIPPING CONTAINER OR MAGAZINE MEETING THE SPECIFICATIONS OF NFPA 1124.

"TEMPORARY STRUCTURE." A STRUCTURE, OTHER THAN A PERMANENT FACILITY WITH FIXED UTILITY CONNECTIONS, WHICH IS IN USE OR IN PLACE FOR A PERIOD OF 20 CONSECUTIVE CALENDAR DAYS OR LESS AND IS DEDICATED TO THE STORAGE AND SALE OF CONSUMER FIREWORKS AND RELATED ITEMS. THE TERM INCLUDES TEMPORARY RETAIL SALES STANDS, TENTS, CANOPIES AND MEMBRANE STRUCTURES MEETING THE SPECIFICATIONS OF NFPA 1124.

SECTION 2402. PERMITS.

(A) PERMISSIBLE PURPOSES.--DISPLAY FIREWORKS MAY BE POSSESSED AND USED BY A PERSON HOLDING A PERMIT FROM A MUNICIPALITY AT THE DISPLAY COVERED BY THE PERMIT OR WHEN USED AS AUTHORIZED BY A PERMIT FOR ANY OF THE FOLLOWING:

(1) FOR AGRICULTURAL PURPOSES IN CONNECTION WITH THE RAISING OF CROPS AND THE PROTECTION OF CROPS FROM BIRD AND ANIMAL DAMAGE.

(2) BY RAILROADS OR OTHER TRANSPORTATION AGENCIES FOR SIGNAL PURPOSES OR ILLUMINATION.
(3) In quarrying or for blasting or other industrial
use.

(4) In the sale or use of blank cartridges for a show or
theater.

(5) For signal or ceremonial purposes in athletics or
sports.

(6) By military organizations or organizations composed
of veterans of the armed forces of the United States.

(B) Age limitation.--A display fireworks permit may not be
issued to a person under 21 years of age.

(C) Bond.--The governing body of the municipality shall
require a bond deemed adequate by it from the licensee in a sum
not less than $50,000 conditioned for the payment of all damages
which may be caused to a person or property by reason of the
licensed display and arising from an act of the licensee or an
agent, an employee or a subcontractor of the licensee.

SECTION 2403. REQUEST FOR EXTENSION.

(A) Authorization.--If, because of unfavorable weather, the
display for which a permit has been granted does not occur at
the time authorized by the permit, the person to whom the permit
was issued may within 24 hours apply for a request for extension
to the authority which granted the permit.

(B) Contents of request.--The request for extension shall
state under oath that the display was not made, provide the
reason that the display was not made and request a continuance
of the permit for a date designated within the request, which
shall be not later than one week after the date originally
designated in the permit.

(C) Determination.--Upon receiving the request for
extension, the authority, if it believes that the facts stated
WITHIN THE REQUEST ARE TRUE, SHALL EXTEND THE PROVISIONS OF THE PERMIT TO THE DATE DESIGNATED WITHIN THE REQUEST, WHICH SHALL BE NOT LATER THAN ONE WEEK AFTER THE DATE ORIGINALLY DESIGNATED IN THE PERMIT.

(D) CONDITIONS.--THE EXTENSION OF TIME SHALL BE GRANTED WITHOUT THE PAYMENT OF AN ADDITIONAL FEE AND WITHOUT REQUIRING A BOND OTHER THAN THE BOND GIVEN FOR THE ORIGINAL PERMIT, THE PROVISIONS OF WHICH SHALL EXTEND TO AND COVER ALL DAMAGES WHICH MAY BE CAUSED BY REASON OF THE DISPLAY OCCURRING AT THE EXTENDED DATE AND IN THE SAME MANNER AND TO THE SAME EXTENT AS IF THE DISPLAY HAD OCCURRED AT THE DATE ORIGINALLY DESIGNATED IN THE PERMIT.

SECTION 2404. USE OF CONSUMER FIREWORKS.

(A) CONDITIONS.--A PERSON WHO IS AT LEAST 18 YEARS OF AGE AND MEETS THE REQUIREMENTS OF THIS ARTICLE MAY PURCHASE, POSSESS AND USE CONSUMER FIREWORKS.

(B) PROHIBITIONS.--A PERSON MAY NOT INTENTIONALLY IGNITE OR DISCHARGE:

(1) CONSUMER FIREWORKS ON PUBLIC OR PRIVATE PROPERTY WITHOUT THE EXPRESS PERMISSION OF THE OWNER.

(2) CONSUMER FIREWORKS OR SPARKLING DEVICES WITHIN, OR THROW CONSUMER FIREWORKS OR SPARKLING DEVICES FROM, A MOTOR VEHICLE OR BUILDING.

(3) CONSUMER FIREWORKS OR SPARKLING DEVICES INTO OR AT A MOTOR VEHICLE OR BUILDING OR AT ANOTHER PERSON.

(4) CONSUMER FIREWORKS OR SPARKLING DEVICES WHILE THE PERSON IS UNDER THE INFLUENCE OF ALCOHOL, A CONTROLLED SUBSTANCE OR ANOTHER DRUG.

(5) CONSUMER FIREWORKS WITHIN 150 FEET OF AN OCCUPIED STRUCTURE.
SECTION 2404.1. USE OF DISPLAY FIREWORKS.

NO DISPLAY FIREWORKS SHALL BE IGNITED WITHIN 300 FEET OF A FACILITY.

SECTION 2405. AGRICULTURAL PURPOSES.

(A) AUTHORIZATION.--THE GOVERNING BODY OF A MUNICIPALITY MAY, UNDER REASONABLE RULES AND REGULATIONS ADOPTED BY IT, GRANT PERMITS FOR THE USE OF SUITABLE FIREWORKS FOR AGRICULTURAL PURPOSES IN CONNECTION WITH THE RAISING OF CROPS AND THE PROTECTION OF CROPS FROM BIRD AND ANIMAL DAMAGE.

(B) DURATION OF PERMIT.--A PERMIT UNDER THIS SECTION SHALL REMAIN IN EFFECT FOR THE CALENDAR YEAR IN WHICH IT WAS ISSUED.

(C) CONDITIONS.--AFTER A PERMIT UNDER THIS SECTION HAS BEEN GRANTED, SALES, POSSESSION AND USE OF FIREWORKS OF THE TYPE AND FOR THE PURPOSE MENTIONED IN THE PERMIT SHALL BE LAWFUL FOR THAT PURPOSE ONLY.

SECTION 2406. RULES AND REGULATIONS BY MUNICIPALITY.

(A) AUTHORIZATION.--PERMISSION SHALL BE GIVEN BY THE GOVERNING BODY OF A MUNICIPALITY UNDER REASONABLE RULES AND REGULATIONS FOR DISPLAYS OF DISPLAY FIREWORKS TO BE HELD WITHIN THE MUNICIPALITY.

(B) CONDITIONS.--

(1) EACH DISPLAY SHALL BE:

(I) HANDLED BY A COMPETENT OPERATOR; AND

(II) OF A CHARACTER AND SO LOCATED, DISCHARGED OR FIRED AS, IN THE OPINION OF THE CHIEF OF THE FIRE DEPARTMENT OR OTHER APPROPRIATE OFFICER AS MAY BE DESIGNATED BY THE GOVERNING BODY OF THE MUNICIPALITY, AFTER PROPER INSPECTION, TO NOT BE HAZARDOUS TO PROPERTY OR ENDANGER ANY PERSON.

(2) AFTER PERMISSION IS GRANTED UNDER THIS SECTION,
POSSESSION AND USE OF DISPLAY FIREWORKS FOR DISPLAY SHALL BE
LAWFUL FOR THAT PURPOSE ONLY.

(3) A PERMIT SHALL BE TRANSFERABLE.

SECTION 2407. SALES LOCATIONS.

EXCEPT AS PROVIDED IN SECTION 2410, CONSUMER FIREWORKS SHALL
BE SOLD ONLY FROM FACILITIES WHICH ARE LICENSED BY THE
DEPARTMENT OF AGRICULTURE AND THAT MEET THE FOLLOWING CRITERIA:

(1) THE FACILITY SHALL COMPLY WITH THE PROVISIONS OF THE
ACT OF NOVEMBER 10, 1999 (P.L.491, NO.45), KNOWN AS THE
PENNSYLVANIA CONSTRUCTION CODE ACT.

(2) THE FACILITY SHALL BE A STAND-ALONE PERMANENT
STRUCTURE.

(3) STORAGE AREAS SHALL BE SEPARATED FROM WHOLESALE OR
RETAIL SALES AREAS TO WHICH A PURCHASER MAY BE ADMITTED BY
APPROPRIATELY RATED FIRE SEPARATION.

(4) THE FACILITY SHALL BE LOCATED NO CLOSER THAN 250
FEET FROM A FACILITY SELLING OR DISPENSING GASOLINE, PROPANE
OR OTHER FLAMMABLE PRODUCTS.

(5) THE FACILITY SHALL BE LOCATED AT LEAST 1,500 FEET
FROM ANOTHER FACILITY LICENSED TO SELL CONSUMER FIREWORKS.

(6) THE FACILITY SHALL HAVE A MONITORED BURGLAR AND FIRE
ALARM SYSTEM.

(7) QUARTERLY FIRE DRILLS AND PREPLANNING MEETINGS SHALL
BE CONDUCTED AS REQUIRED BY THE PRIMARY FIRE DEPARTMENT.

SECTION 2408. FEES, GRANTING OF LICENSES AND INSPECTIONS.

(A) INITIAL APPLICATION FEES.--

(1) AN INITIAL APPLICATION FOR A LICENSE TO SELL
CONSUMER FIREWORKS SHALL BE SUBMITTED TO THE DEPARTMENT OF
AGRICULTURE ON FORMS PRESCRIBED AND PROVIDED BY THE
DEPARTMENT WITH A NONREFUNDABLE APPLICATION FEE AS FOLLOWS:
(I) FOR A FACILITY MEETING THE REQUIREMENTS OF SECTION 2407, THE APPLICATION SHALL BE SUBMITTED WITH A NONREFUNDABLE APPLICATION FEE OF $2,500.

(II) FOR A FACILITY MEETING THE REQUIREMENTS OF SECTION 2410, THE APPLICATION SHALL BE SUBMITTED WITH A NONREFUNDABLE APPLICATION FEE OF $1,000 NO LATER THAN 30 DAYS PRIOR TO THE FIRST DAY OF SALE.

(2) AN APPLICATION UNDER PARAGRAPH (1) (I) OR (II) SHALL ALSO BE ACCOMPANIED BY THE APPROPRIATE ANNUAL LICENSE FEE AS PROVIDED IN SUBSECTION (B).

(B) ANNUAL LICENSE FEES.—THE ANNUAL LICENSE FEE FOR A FACILITY LICENSED TO SELL CONSUMER FIREWORKS SHALL BE AS FOLLOWS:

(1) $7,500 FOR A LOCATION UP TO 10,000 SQUARE FEET;
(2) $10,000 FOR A LOCATION UP TO 15,000 SQUARE FEET;
(3) $20,000 FOR A LOCATION UP TO 20,000 SQUARE FEET; AND
(4) $2,000 FOR A TEMPORARY STRUCTURE.

(C) TIME LIMITATIONS AND INSPECTIONS.—

(1) A FACILITY MEETING THE REQUIREMENTS OF SECTION 2407 SHALL BE INSPECTED BY THE DEPARTMENT OF AGRICULTURE WITHIN 30 DAYS OF RECEIPT OF A COMPLETE APPLICATION FOR A LICENSE. THE DEPARTMENT OF AGRICULTURE SHALL ISSUE OR DENY A LICENSE WITHIN 14 DAYS OF COMPLETING THE INSPECTION.

(2) THE DEPARTMENT OF AGRICULTURE SHALL ISSUE OR DENY A LICENSE FOR A FACILITY MEETING THE REQUIREMENTS OF SECTION 2410 NO LATER THAN 10 DAYS PRIOR TO THE FIRST DAY OF SALE. THE FACILITY SHALL BE AVAILABLE FOR INSPECTION BY THE DEPARTMENT OF AGRICULTURE FOR COMPLIANCE WITH NFPA 1124 AT ALL TIMES DURING THE LICENSED SELLING PERIOD.

(D) TERM OF LICENSE.—A LICENSE ISSUED FOR THE SALE OF
CONSUMER FIREWORKS SHALL BE EFFECTIVE FOR ONE YEAR FROM THE DATE THE LICENSE IS ISSUED.

(E) LICENSE RENEWAL AND INSPECTIONS.--LICENSE RENEWAL SHALL BE AUTOMATIC UPON PAYMENT OF THE APPROPRIATE ANNUAL LICENSE FEE UNDER SUBSECTION (B), BUT EACH FACILITY SHALL BE SUBJECT TO ANNUAL INSPECTIONS BY THE DEPARTMENT OF AGRICULTURE AND AT OTHER TIMES AS THE DEPARTMENT MAY DEEM APPROPRIATE.

(F) CONDITION.--NO LICENSE MAY BE ISSUED TO A CONVICTED FELON OR TO AN ENTITY IN WHICH A CONVICTED FELON OWNS A PERCENTAGE OF THE EQUITY INTEREST.

SECTION 2409. CONDITIONS FOR FACILITIES.

A FACILITY LICENSED BY THE DEPARTMENT OF AGRICULTURE SHALL BE EXCLUSIVELY DEDICATED TO THE STORAGE AND SALE OF CONSUMER FIREWORKS AND RELATED ITEMS, AND THE FACILITY SHALL OPERATE IN ACCORDANCE WITH THE FOLLOWING RULES:

(1) THERE SHALL BE SECURITY PERSONNEL ON THE PREMISES FOR THE SEVEN DAYS PRECEDING AND INCLUDING JULY 4 AND FOR THE THREE DAYS PRECEDING AND INCLUDING JANUARY 2.

(2) NO SMOKING SHALL BE PERMITTED IN THE FACILITY.

(3) NO CIGARETTES OR TOBACCO PRODUCTS, MATCHES, LIGHTERS OR ANY OTHER FLAME-PRODUCING DEVICES SHALL BE PERMITTED TO BE TAKEN INTO THE FACILITY.

(4) NO MINORS SHALL BE PERMITTED IN THE FACILITY UNLESS ACCOMPANIED BY AN ADULT, AND EACH MINOR SHALL STAY WITH THE ADULT IN THE FACILITY.

(5) ALL FACILITIES SHALL CARRY AT LEAST $2,000,000 IN PUBLIC AND PRODUCT LIABILITY INSURANCE.

(6) A LICENSEE SHALL PROVIDE ITS EMPLOYEES WITH DOCUMENTED TRAINING IN THE AREA OF OPERATIONAL SAFETY OF A FACILITY. THE LICENSEE SHALL PROVIDE TO THE DEPARTMENT OF
AGRICULTURE WRITTEN DOCUMENTATION THAT EACH EMPLOYEE HAS RECEIVED THE TRAINING.

(7) NO DISPLAY FIREWORKS SHALL BE STORED OR LOCATED AT A FACILITY.

(8) NO PERSON WHO APPEARS TO BE UNDER THE INFLUENCE OF INTOXICATING LIQUOR OR DRUGS SHALL BE ADMITTED TO THE FACILITY, AND NO LIQUOR, BEER OR WINE SHALL BE PERMITTED IN THE FACILITY.

(9) EMERGENCY EVACUATION PLANS SHALL BE CONSPICUOUSLY POSTED IN APPROPRIATE LOCATIONS WITHIN THE FACILITY.

SECTION 2410. TEMPORARY STRUCTURES.

(A) CONDITIONS.--NOTWITHSTANDING SECTION 2607 OR ANY OTHER PROVISION OF LAW, A TEMPORARY STRUCTURE MAY BE LICENSED BY THE DEPARTMENT OF AGRICULTURE TO SELL CONSUMER FIREWORKS IF THE TEMPORARY STRUCTURE MEETS ALL OF THE FOLLOWING REQUIREMENTS:

(1) THE TEMPORARY STRUCTURE IS LOCATED NO CLOSER THAN 250 FEET FROM A FACILITY STORING, SELLING OR DISPENSING GASOLINE, PROPANE OR OTHER FLAMMABLE PRODUCTS.

(2) AN EVACUATION PLAN IS POSTED IN A CONSPICUOUS LOCATION FOR A TEMPORARY STRUCTURE IN ACCORDANCE WITH NFPA 1124.

(3) THE OUTDOOR STORAGE UNIT, IF ANY, IS SEPARATED FROM THE WHOLESALE OR RETAIL SALES AREA TO WHICH A PURCHASER MAY BE ADMITTED BY APPROPRIATELY RATED FIRE SEPARATION.

(4) THE TEMPORARY STRUCTURE COMPLIES WITH NFPA 1124 AS IT RELATES TO RETAIL SALES OF CONSUMER FIREWORKS IN TEMPORARY STRUCTURES.

(5) THE TEMPORARY STRUCTURE IS LOCATED AT LEAST ONE MILE FROM A PERMANENT FACILITY LICENSED TO SELL CONSUMER FIREWORKS.
(6) The temporary structure does not exceed 2,500 square feet.

(7) The temporary structure is secured at all times during which consumer fireworks are displayed within the structure.

(8) The temporary structure has a minimum of $2,000,000 in public and product liability insurance.

(9) The sales period is limited to June 15 through July 8 and December 21 through January 2 of each year.

(10) Consumer fireworks not on display for retail sale are stored in an outdoor storage unit.

(B) Limitations.--The sale of consumer fireworks from the temporary structure is limited to the following:

1. Helicopter, Aerial Spinner (APA 87-1, 3.1.2.3).
2. Roman Candle (APA 87-1, 3.1.2.4).
3. Mine and Shell Devices (APA 87-1, 3.1.2.5).

SECTION 2411. ATTORNEY GENERAL.

(A) Registration.--Any business entity which performs, provides or supervises fireworks displays or exhibitions for profit shall register annually with the Attorney General.

(B) Rules.--The Attorney General shall promulgate rules to implement this section.

SECTION 2412. CONSUMER FIREWORKS TAX.

(A) Imposition.--In addition to any other tax imposed by law, a tax is imposed on each separate sale at retail of consumer fireworks, which tax shall be collected by the retailer from the purchaser at the time of sale and shall be paid over to the Commonwealth as provided in this section. A tax imposed under this subsection on each separate sale at retail shall be paid to and received by the Department of Revenue and, along
WITH INTEREST AND PENALTIES, SHALL BE DEPOSITED INTO THE GENERAL FUND.

(B) RATE.--THE TAX AUTHORIZED UNDER SUBSECTION (A) SHALL BE IMPOSED AND COLLECTED AT THE RATE OF 12% OF THE PURCHASE PRICE PER ITEM SOLD. THE PURCHASE PRICE SHALL INCLUDE STATE AND LOCAL SALES TAXES.

(C) COLLECTION AND ADMINISTRATION.--THE PROVISIONS OF PART VI OF ARTICLE II SHALL APPLY TO THE TAX AUTHORIZED UNDER SUBSECTION (A). NO ADDITIONAL FEE SHALL BE CHARGED FOR A LICENSE OR LICENSE RENEWAL OTHER THAN THE LICENSE OR RENEWAL FEE REQUIRED UNDER SECTION 2408 AND THE LICENSE OR RENEWAL FEE AUTHORIZED AND IMPOSED UNDER ARTICLE II.

SECTION 2413. DISPOSITION OF CERTAIN FUNDS.

(A) TRANSFER.--ONE-SIXTH OF THE TAX COLLECTED UNDER THIS ARTICLE, NOT TO EXCEED $2,000,000, SHALL BE TRANSFERRED ANNUALLY FOR THE PURPOSE OF MAKING GRANTS UNDER 35 PA.C.S. CH. 78 SUBCH. C (RELATING TO EMERGENCY MEDICAL SERVICES GRANT PROGRAM).

(B) PAYMENTS.--THE TRANSFER REQUIRED UNDER SUBSECTION (A) SHALL BE MADE IN TWO EQUAL PAYMENTS BY SEPTEMBER 15 AND MARCH 15.

SECTION 2414. PENALTIES.

THE FOLLOWING SHALL APPLY:

(1) A PERSON, A COPARTNERSHIP, AN ASSOCIATION OR A CORPORATION USING CONSUMER FIREWORKS IN VIOLATION OF THE PROVISIONS OF THIS ARTICLE COMMITS A SUMMARY OFFENSE AND, UPON CONVICTION, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN $100.

(2) A PERSON, A COPARTNERSHIP, AN ASSOCIATION OR A CORPORATION SELLING CONSUMER FIREWORKS IN VIOLATION OF THE PROVISIONS OF THIS ACT COMMITS A MISDEMEANOR OF THE SECOND
DEGREE.

(3) A PERSON, A COPARTNERSHIP, AN ASSOCIATION OR A CORPORATION SELLING DISPLAY FIREWORKS IN VIOLATION OF THE PROVISIONS OF THIS ACT Commits a FELONY OF THE THIRD DEGREE.

(4) A PERSON, A COPARTNERSHIP, AN ASSOCIATION OR A CORPORATION SELLING FEDERALLY ILLEGAL EXPLOSIVES SUCH AS DEVICES AS DESCRIBED IN 49 CFR 173.54 (RELATING TO FORBIDDEN EXPLOSIVES) OR THOSE DEVICES THAT HAVE NOT BEEN TESTED, APPROVED AND LABELED BY THE UNITED STATES DEPARTMENT OF TRANSPORTATION, INCLUDING, BUT NOT LIMITED TO, THOSE DEVICES COMMONLY REFERRED TO AS "M-80," "M-100," "BLOCKBUSTER," "CHERRY BOMB" OR "QUARTER OR HALF STICK" EXPLOSIVE DEVICES, IN VIOLATION OF THE PROVISIONS OF THIS ACT Commits a FELONY OF THE THIRD DEGREE.

SECTION 2415. REMOVAL, STORAGE AND DESTRUCTION.

THE PENNSYLVANIA STATE POLICE, A SHERIFF OR POLICE OFFICER SHALL TAKE, REMOVE OR CAUSE TO BE REMOVED AT THE EXPENSE OF THE OWNER ALL STOCKS OF CONSUMER FIREWORKS OR DISPLAY FIREWORKS OR COMBUSTIBLES OFFERED OR EXPOSED FOR SALE, STORED OR HELD IN VIOLATION OF THIS ARTICLE. THE OWNER SHALL ALSO BE RESPONSIBLE FOR THE STORAGE AND, IF DEEMED NECESSARY, THE DESTRUCTION OF THESE FIREWORKS.

ARTICLE XXIV-A

UNCONVENTIONAL GAS WELLS

SECTION 2401-A. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"AVERAGE ANNUAL PRICE OF NATURAL GAS." AS DEFINED IN 58 PA.C.S. § 2301 (RELATING TO DEFINITIONS).
"COMMISSION." THE PENNSYLVANIA PUBLIC UTILITY COMMISSION.
"DEPARTMENT." THE DEPARTMENT OF ENVIRONMENTAL PROTECTION OF
THE COMMONWEALTH.
"METER." A DEVICE TO MEASURE THE PASSAGE OF VOLUMES OF GASES
OR LIQUIDS PAST A CERTAIN POINT.
"NATURAL GAS." AS DEFINED IN 58 PA.C.S. § 2301.
"PRODUCER." AS DEFINED IN 58 PA.C.S. § 2301.
"SEVER." THE EXTRACTION OR OTHER REMOVAL OF NATURAL GAS FROM
AN UNCONVENTIONAL FORMATION IN THIS COMMONWEALTH. THE TERM DOES
NOT INCLUDE NATURAL GAS, IN GASEOUS OR LIQUID FORM, WHICH IS
BURNED, USED, CONSUMED OR OTHERWISE EMPLOYED IN OIL AND GAS
OPERATIONS AT A NATURAL GAS WELL SITE:
(1) FOR SECONDARY RECOVERY;
(2) FOR RE-PRESSURING;
(3) FOR PRESSURE MAINTENANCE; OR
(4) AS FUEL FOR EQUIPMENT.
"TRIGGER DATE." THE DATE 60 DAYS AFTER THE EFFECTIVE DATE OF
THIS SECTION.
"UNCONVENTIONAL FORMATION." AS DEFINED IN 58 PA.C.S. § 2301.
"UNCONVENTIONAL GAS WELL." AS DEFINED IN 58 PA.C.S. § 2301.
"UNIT." A THOUSAND CUBIC FEET (MCF) OF NATURAL GAS AT A
TEMPERATURE OF 60 DEGREES FAHRENHEIT AND AN ABSOLUTE PRESSURE OF
14.73 POUNDS PER SQUARE INCH, IN ACCORDANCE WITH AMERICAN GAS
ASSOCIATION (AGA) STANDARDS AND ACCORDING TO BOYLE'S LAW FOR THE
MEASUREMENT OF GAS UNDER VARYING PRESSURES WITH DEVIATIONS THEREFROM AS FOLLOWS:
(1) THE AVERAGE ABSOLUTE ATMOSPHERIC PRESSURE SHALL BE
ASSUMED TO BE 14.4 POUNDS TO THE SQUARE INCH, NOTWITHSTANDING
THE ACTUAL ELEVATION OR LOCATION OF POINT OF DELIVERY ABOVE
SEA LEVEL OR VARIATIONS IN THE ATMOSPHERIC PRESSURE.
(2) The temperature of the gas passing the meters shall be determined by the continuous use of a recording thermometer installed so that the thermometer may properly record the temperature of the gas flowing through the meters. The arithmetic average of the temperature recorded each 24-hour day shall be used in computing gas volumes. If a recording thermometer is not installed, or if installed and not operating properly, an average flowing temperature of 60 degrees Fahrenheit shall be used in computing gas volume.

(3) The specific gravity of the gas shall be determined by tests made by the use of an Edwards or Acme gravity balance annually or at intervals as are found necessary in practice. Specific gravity shall be used in computing gas volumes.

(4) The deviation of the natural gas from Boyle's law shall be determined by tests annually or at other shorter intervals as are found necessary in practice. The apparatus and the method to be used in making the tests shall be in accordance with recommendations of the National Bureau of Standards of the Department of Commerce or report No. 3 of the Gas Measurement Committee of the American Gas Association, or any amendments thereof. The results of the tests shall be used in computing the volume of gas delivered. "Wellhead meter," a meter placed at a producing site to measure the actual volume of natural gas severed.

Section 2402-A. Volume Differential Tax.

(A) Imposition.--Each producer subject to the Unconventional Gas Well Fee imposed under 58 Pa.C.S. § 2302 (relating to Unconventional Gas Well Fee) shall pay a volume differential tax.
(B) COMPUTATION.--THE VOLUME DIFFERENTIAL TAX FOR EACH
UNCONVENTIONAL GAS WELL SHALL BE CALCULATED BY APPLYING THE
APPLICABLE RATE UNDER SUBSECTION (B.1) TO NATURAL GAS SEVERED
FROM THE UNCONVENTIONAL GAS WELL DURING THE IMPOSITION PERIOD
UNDER SUBSECTION (B.2).

(B.1) TAX RATE.--THE TAX RATE SHALL BE AS FOLLOWS:

(1) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS FOR THE
CALENDAR YEAR IMMEDIATELY PRECEDING THE START OF THE
IMPOSITION PERIOD IS NOT MORE THAN $2.25, THE SURCHARGE RATE
SHALL BE $0.015 PER UNIT SEVERED.

(2) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS FOR THE
CALENDAR YEAR IMMEDIATELY PRECEDING THE START OF THE
IMPOSITION PERIOD IS GREATER THAN $2.25 AND LESS THAN $3.00,
THE TAX RATE SHALL BE $0.02 PER UNIT SEVERED.

(3) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS FOR THE
CALENDAR YEAR IMMEDIATELY PRECEDING THE START OF THE
IMPOSITION PERIOD IS GREATER THAN $2.99 AND LESS THAN $5.00,
THE TAX RATE SHALL BE $0.025 PER UNIT SEVERED.

(4) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS FOR THE
CALENDAR YEAR IMMEDIATELY PRECEDING THE START OF THE
IMPOSITION PERIOD IS GREATER THAN $4.99 AND LESS THAN $6.00,
THE TAX RATE SHALL BE $0.03 PER UNIT SEVERED.

(5) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS FOR THE
CALENDAR YEAR IMMEDIATELY PRECEDING THE START OF THE
IMPOSITION PERIOD IS MORE THAN $5.99, THE TAX RATE SHALL BE
$0.035 PER UNIT SEVERED.

(B.2) IMPOSITION PERIOD.--THE IMPOSITION PERIOD SHALL BE AS
FOLLOWS:

(1) FOR FISCAL YEAR 2017-2018, THE IMPOSITION PERIOD
SHALL BE FROM JULY 1, 2017, TO APRIL 30, 2018.
(2) For fiscal year 2018-2019, and each fiscal year thereafter, the imposition period shall be from May 1 of the preceding fiscal year to April 30 of the current fiscal year.

(B.3) Payment.--The volume differential tax imposed under this article shall be due on the same day the report is due under subsection (B.4). The tax shall become delinquent if not remitted to the commission on the reporting date.

(B.4) Report.--By June 15, 2018, and June 15 of each year thereafter, every producer shall submit payment of the volume differential tax to the commission and a report on a form prescribed by the commission for the imposition period.

(C) Volume Measurement.--

(1) Except as provided under paragraph (2), for purposes of computing the volume differential tax, natural gas severed shall be measured at the wellhead meter.

(2) Natural gas severed prior to the trigger date shall be measured according to the standards and methods used for reporting natural gas production to the department.

(D) Administration.--The volume differential tax shall be administered and enforced in the same manner as the unconventional gas well fee under 58 Pa.C.S. Ch. 23 (relating to unconventional gas well fee).

(E) Use of Funds.--Money collected from the volume differential tax under this section shall be transferred to the state treasurer for allocation annually as follows:

(1) If the total amount of the fees submitted by April 1 of each year under 58 Pa.C.S. § 2303(B) (relating to administration) is less than $200,000,000, an amount equal to the difference between $200,000,000 and that total amount shall be deposited into the unconventional gas well fund and
shall be distributed as provided under 58 pa.c.s. §§ 2314
(relating to distribution of fee) and 2315 (relating to
statewide initiatives).

(2) after deposit under paragraph (1), remaining money
shall be deposited into the general fund.

(f) independent fiscal office.--beginning september 30,
2018, and quarterly thereafter, the independent fiscal office
shall publish a report on its publicly accessible internet
website that shows the calculation of an average effective tax
rate of the volume differential tax imposed under this article
and the unconventional gas well fee imposed under 58 pa.c.s. ch.
23, imposed for the preceding imposition period. the average
effective tax rate shall quantify the implicit tax burden
imposed on a producer by both the volume differential tax and
the unconventional gas well fee in a given year. the average
effective tax rate shall be based upon the market value of
natural gas at the wellhead using regional price information
from hubs located in this commonwealth and postproduction costs
shall be deducted to approximate the value of natural gas at the
wellhead. the report shall include the methodology used to
calculate the average effective tax rate.

section 2403-a. issuance of permit.

(a) operations.--notwithstanding any other provision of law,
a permit application to undertake an activity related to
unconventional oil and gas development which has not been denied
by the department within the applicable time period established
for review shall be deemed approved. if the review period for
the permit has been extended for cause, the department shall
provide a refund of the fee to the applicant. if the department
has notified the person of deficiencies with the application,
THE PERIOD OF TIME FROM THE DATE OF THE RECEIPT OF THE
DEFICIENCIES TO THE DATE OF THE RECEIPT OF THE PERSON'S RESPONSE
SHALL TOLL THE APPLICABLE TIME PERIOD ESTABLISHED FOR REVIEW.
ONLY TWO TOLLING PERIODS SHALL BE AUTHORIZED.

(B) CONSTRUCTION.--NOTHING UNDER THIS SECTION SHALL BE
CONSTRUED TO RELIEVE A PERSON WHO COMMENCES ACTIVITY UNDER THIS
SECTION FROM COMPLYING WITH EACH LAW PERTAINING TO THE ACTIVITY
FOR WHICH THE PERMIT IS SOUGHT.

(C) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:
"APPLICABLE TIME PERIOD ESTABLISHED FOR REVIEW." AS FOLLOWS:
(1) FOR A WELL PERMIT REQUIRED UNDER 58 PA.C.S. §
3211(E) (RELATING TO WELL PERMITS), WITHIN:
   (I) FORTY-FIVE CALENDAR DAYS OF SUBMISSION; OR
   (II) SIXTY CALENDAR DAYS OF SUBMISSION IF THE REVIEW
PERIOD HAS BEEN EXTENDED FOR CAUSE.
(2) FOR A GENERAL AIR QUALITY PERMIT, WITHIN 30 CALENDAR
DAYS OF SUBMISSION.
(3) FOR AN EARTH DISTURBANCE PERMIT AS REQUIRED UNDER 25
PA. CODE § 102.5 (RELATING TO PERMIT REQUIREMENTS), WITHIN:
   (I) FIFTY-THREE BUSINESS DAYS OF SUBMISSION; OR
   (II) TWENTY-FOUR BUSINESS DAYS OF SUBMISSION FOR AN
EXPEDITED APPLICATION.

ARTICLE XXIV-B
UNCONVENTIONAL NATURAL GAS AIR QUALITY PROTECTION
SECTION 2401-B. DEFINITIONS.
THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
CONTEXT CLEARLY INDICATES OTHERWISE:
"DEPARTMENT." THE DEPARTMENT OF ENVIRONMENTAL PROTECTION OF
THE COMMONWEALTH.

"TEMPORARY ACTIVITY." WELL SITE AND ACCESS ROAD PREPARATION,
PAD CONSTRUCTION, DRILLING AND WELL COMPLETION.

SECTION 2402-B. AIR QUALITY PERMITS FOR UNCONVENTIONAL NATURAL
GAS WELL SITES.

(A) PUBLICATION.--NOT EARLIER THAN DECEMBER 31, 2017, THE
DEPARTMENT SHALL SUBMIT TO THE LEGISLATIVE REFERENCE BUREAU FOR
PUBLICATION IN THE PENNSYLVANIA BULLETIN EACH PROPOSED FINAL
GENERAL PLAN APPROVAL AND/OR GENERAL OPERATING PERMIT FOR
UNCONVENTIONAL NATURAL GAS WELL SITE OPERATIONS AND REMOTE
PIGGING STATIONS AND EACH GENERAL PLAN APPROVAL AND/OR GENERAL
OPERATING PERMIT FOR NATURAL GAS COMPRESSION STATIONS,
PROCESSING PLANTS AND TRANSMISSION STATIONS MODIFIED AS A RESULT
OF THE "EXTENSION OF THE COMMENT PERIOD" SET FORTH AT 47 PA.B.
1235 (FEBRUARY 25, 2017) OR AS A RESULT OF A SUBSEQUENT
EXTENSION PERIOD.

(B) CONSIDERATION.--WITHIN 14 LEGISLATIVE DAYS FOLLOWING
PUBLICATION OF THE PROPOSED FINAL PERMITS UNDER SUBSECTION (A),
THE AIR QUALITY PERMIT ADVISORY COMMITTEE SHALL CONSIDER EACH
PERMIT AND SHALL VOTE WHETHER TO APPROVE OR REJECT THE PROPOSED
PERMIT. THE FOLLOWING SHALL APPLY:

(1) IF A MAJORITY OF THE AIR QUALITY PERMIT ADVISORY
COMMITTEE VOTES TO DISAPPROVE A PROPOSED FINAL PERMIT, THE
DEPARTMENT SHALL REVISE THAT PROPOSED FINAL PERMIT AND DO THE
FOLLOWING:

(I) REVIEW AND CONSIDER THE REASONS FOR DISAPPROVAL
AND MODIFY THE PROPOSED FINAL PERMIT; AND

(II) RESUBMIT THE NEW VERSION OF THE PROPOSED FINAL
PERMIT TO THE AIR QUALITY PERMIT ADVISORY COMMITTEE.
WITHIN 14 LEGISLATIVE DAYS.

(2) IF A MAJORITY OF THE AIR QUALITY PERMIT ADVISORY
COMMITTEE VOTES TO APPROVE A PROPOSED FINAL PERMIT, THE
FOLLOWING SHALL APPLY:

(I) THE DEPARTMENT SHALL SUBMIT THE APPROVED PERMIT
TO THE LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION IN
THE PENNSYLVANIA BULLETIN.

(II) THE PERMIT SHALL TAKE EFFECT UPON PUBLICATION
IN THE PENNSYLVANIA BULLETIN.

(C) APPLICABILITY.--THE REQUIREMENTS OF A GENERAL PLAN
APPROVAL AND GENERAL OPERATING PERMIT FOR UNCONVENTIONAL NATURAL
GAS WELL SITE OPERATIONS AND REMOTE PIGGING STATIONS SHALL NOT
APPLY TO ANY OF THE FOLLOWING:

(1) A NATURAL GAS WELL SITE WHICH:

(I) COMMENCED PRODUCTION PRIOR TO THE DATE OF
PUBLICATION UNDER SUBSECTION (B)(2)(II); AND

(II) CONTINUES TO MEET THE REQUIREMENTS TO RETAIN
THAT EXEMPTION.

(2) TEMPORARY ACTIVITY.

SECTION 2403-B. AIR QUALITY PERMIT ADVISORY COMMITTEE.

(A) ESTABLISHMENT.--THE AIR QUALITY PERMIT ADVISORY
COMMITTEE IS ESTABLISHED.

(B) COMPOSITION.--THE AIR QUALITY PERMIT ADVISORY COMMITTEE
SHALL CONSIST OF THE FOLLOWING:

(1) ONE MEMBER APPOINTED BY THE GOVERNOR.

(2) THE FOLLOWING MEMBERS OF THE SENATE:

(I) ONE MEMBER APPOINTED BY THE PRESIDENT PRO
TEMPORE OF THE SENATE.

(II) ONE MEMBER APPOINTED BY THE MAJORITY LEADER OF
THE SENATE.

20170HB0542PN2259 - 80 -
(III) one member appointed by the minority leader of
the senate.

(3) the following members of the house of
representatives:

(I) one member appointed by the speaker of the house
of representatives.

(II) one member appointed by the majority leader of
the house of representatives.

(III) one member appointed by the minority leader of
the house of representatives.

(C) appointments.--Appointments to the air quality permit
advisory committee shall be made within 60 days of the effective
date of this section.

article xxiv-c
environmental permitting reform
section 2401-c. definitions.

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

"department." the department of environmental protection of
the commonwealth.

"licensed professional." an individual licensed by the
commonwealth as a professional landscape architect, engineer,
land surveyor or geologist.

"permit." a written authorization issued by the department
or an authorization under a delegated agreement by the
department to engage in a regulated activity, including, but not
limited to, a new permit, permit renewal, permit amendment,
permit modification, permit transfer, change of ownership, plan
approval or registration under a general permit. the term does
NOT INCLUDE A CERTIFICATION OR LICENSE.

"PERMIT APPLICATION." THE DOCUMENT SUBMITTED TO THE
DEPARTMENT BY AN APPLICANT THAT, IF APPROVED, GRANTS A PERMIT TO
AN APPLICANT.

"PERMIT DECISION." THE ISSUANCE OR DENIAL OF A PERMIT.

"PERMIT DECISION DELAY." THE FAILURE OF THE DEPARTMENT TO
ISSUE A PERMIT DECISION WITHIN:

(1) THE TIME PERIOD SPECIFIED BY STATUTE OR REGULATION
OR BY THE RELEVANT TIME PERIOD ESTABLISHED UNDER 4 PA. CODE
CH. 7A SUBCH. H (RELATING TO PERMIT DECISION GUARANTEE FOR
THE DEPARTMENT OF ENVIRONMENTAL PROTECTION); OR

(2) 30 DAYS AFTER THE SUBMISSION OF A PERMIT APPLICATION
OR REQUEST FOR PLAN APPROVAL OR OTHER AUTHORIZATION WHEN NO
TIME PERIOD IS SPECIFIED BY STATUTE, REGULATION OR 4 PA. CODE
CH. 7A SUBCH. H.

"PERMIT PROGRAM." THE OPERATION AND MANAGEMENT OF PERMITS
IDENTIFIED WHICH ARE SUBJECT TO PERMIT DECISION DELAY.

SECTION 2402-C. INITIAL REVIEW BY DEPARTMENT.

WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE
DEPARTMENT SHALL REVIEW ALL PERMIT DECISIONS AND PERMIT DECISION
DELAYS DURING THE IMMEDIATELY PRIOR CALENDAR YEAR AND SUBMIT A
REPORT OF FINDINGS TO THE CHAIRPERSON AND MINORITY CHAIRPERSON
OF THE ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE OF THE
SENATE AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE OF THE HOUSE OF
REPRESENTATIVES.

SECTION 2403-C. THIRD-PARTY REVIEW UNDER PERMIT PROGRAM.

(A) ESTABLISHMENT AND ADMINISTRATION OF PERMIT PROGRAM.--

WITHIN ONE YEAR OF THE ISSUANCE OF THE INITIAL REPORT UNDER
SECTION 2402-C, THE DEPARTMENT SHALL ESTABLISH AND IMPLEMENT A
PERMIT PROGRAM. THE DEPARTMENT SHALL CONTRACT WITH THIRD-PARTY
LICENSED PROFESSIONALS FOR THE PURPOSE OF ADMINISTERING THE
PERMIT PROGRAM.

(B) TRANSFER OF INFORMATION.--WITHIN ONE YEAR AFTER THE
ESTABLISHMENT OF THE PERMIT PROGRAM UNDER SUBSECTION (A), THE
DEPARTMENT SHALL TRANSFER INFORMATION REGARDING PERMIT DECISIONS
AND PERMIT DECISION DELAYS TO THE THIRD-PARTY LICENSED
PROFESSIONALS WITH WHOM THE DEPARTMENT HAS CONTRACTED.

(C) FEES.--FEES COLLECTED BY THE DEPARTMENT FROM PERMIT
APPLICATIONS IN THE PERMIT PROGRAM SHALL BE REMITTED TO THE
RESPECTIVE THIRD-PARTY LICENSED PROFESSIONALS WITH WHOM THE
DEPARTMENT HAS CONTRACTED FOR THE PERMIT PROGRAM.

(D) AGENT OF COMMONWEALTH.--A THIRD-PARTY LICENSED
PROFESSIONAL WITH WHOM THE DEPARTMENT HAS CONTRACTED FOR THE
PERMIT PROGRAM SHALL BE DULY RECOGNIZED AS AN AGENT OF THE
COMMONWEALTH FOR THE PERMIT PROGRAM TO RESOLVE EACH PERMIT
APPLICATION WHICH IS SUBJECT TO A PERMIT DECISION DELAY AND
PERMIT DECISIONS UNDER SUBSECTION (E).

(E) SELECTION.--A PERMIT APPLICANT MAY SELECT A THIRD-PARTY
LICENSED PROFESSIONAL WITH WHOM THE DEPARTMENT HAS CONTRACTED
FOR THE PERMIT PROGRAM TO REVIEW THE PERMIT APPLICATION.

SECTION 2404-C. ANNUAL REPORTS.

NO LATER THAN JANUARY 31 OF EACH YEAR, THE DEPARTMENT SHALL
SUBMIT TO THE GENERAL ASSEMBLY AN ANNUAL REPORT WHICH, AT A
MINIMUM, SHALL CONTAIN THE FOLLOWING INFORMATION FROM THE
IMMEDIATELY PRIOR CALENDAR YEAR:

(1) THE NUMBER OF PERMIT APPLICATIONS RECEIVED.

(2) THE NUMBER OF PERMIT APPLICATIONS REVIEWED BY THE
DEPARTMENT AND THIRD-PARTY LICENSED PROFESSIONALS WITH WHOM
THE DEPARTMENT HAS CONTRACTED FOR THE PERMIT PROGRAM.
(3) The average time frame for permit decisions by the department and third-party licensed professionals with whom the department has contracted for the permit program.

(4) The number and average workload of third-party licensed professionals with whom the department has contracted for the permit program.

(5) The number and average workload of staff members within the department reviewing permit applications, organized by each regional office of the department.

SECTION 2405-C. RULES AND REGULATIONS.

The department shall promulgate rules and regulations necessary to implement the provisions of this article.

SECTION 2406-C. APPLICABILITY.

This article shall apply to all permits required to comply with statutes and regulations administered by the department.

SECTION 2407-C. EFFECT OF ARTICLE.

Nothing in this article shall be construed to limit or otherwise alter the department's authority to revoke a permit for failure to comply with the laws of this Commonwealth.

SECTION 14. SECTION 2702(A) AND (A.1)(2) OF THE ACT ARE AMENDED TO READ:

SECTION 2702. PETITION FOR REASSESSMENT.

(A) General rule.--A taxpayer may file a petition for reassessment with the department within [90] 60 days after the mailing date of the notice of assessment.

(A.1) Petition for review of tax adjustment not resulting in an increase in liability.--

* * *

(2) A taxpayer must file a petition for review under this subsection within [90] 60 days of the mailing date of 20170HB0542PN2259
THE DEPARTMENT'S NOTICE OF ADJUSTMENT. A TAXPAYER'S FAILURE TO FILE A PETITION UNDER THIS SUBSECTION SHALL NOT PREJUDICE THE TAXPAYER'S RIGHT TO FILE A PETITION IN A SUBSEQUENT TAX YEAR.

* * *

SECTION 15. SECTION 2703(E) AND (F) OF THE ACT ARE AMENDED AND THE SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

SECTION 2703. PETITION PROCEDURE.

* * *


(E.1) ADDITIONAL DEFERMENT AUTHORIZED.--IF A MATTER PENDING BEFORE THE DEPARTMENT WOULD BE MATERIALLY AFFECTED BY AN AUDIT OR OTHER PROCEEDING BEFORE THE INTERNAL REVENUE SERVICE OR BY AN AUDIT OR OTHER PROCEEDING CONDUCTED BY THE COMMONWEALTH OR ANOTHER STATE, THE DEPARTMENT, UPON THE WRITTEN REQUEST OF THE PETITIONER OR UNDER THE DEPARTMENT'S INITIATIVE, MAY DEFER CONSIDERATION OF THE PETITION UNTIL SUCH TIME AS THE OTHER AUDIT OR PROCEEDING IS COMPLETED. IF CONSIDERATION OF THE PETITION IS
DEFERRED, THE DEPARTMENT SHALL ISSUE A DECISION AND ORDER
DISPOSING OF THE PETITION WITHIN SIX MONTHS AFTER THE AUDIT OR
OTHER PROCEEDING IS COMPLETED.

(F) FAILURE OF DEPARTMENT TO TAKE ACTION.--THE FAILURE OF
THE DEPARTMENT TO DISPOSE OF THE PETITION WITHIN THE TIME PERIOD
PROVIDED FOR BY SUBSECTION (D) [OR] (E) OR (E.1) SHALL ACT AS A
DENIAL OF THE PETITION. NOTICE OF THE DEPARTMENT'S FAILURE TO
TAKE ACTION AND THE DENIAL OF THE PETITION SHALL BE MAILED TO
THE PETITIONER.

SECTION 16. SECTION 2704(A), (B), (D.2), (D.3), (D.5),
(D.7), (E), (F) AND (H) OF THE ACT ARE AMENDED AND THE SECTION
IS AMENDED BY ADDING SUBSECTIONS TO READ:

SECTION 2704. REVIEW BY BOARD.

(A) PETITION FOR REVIEW OF A DECISION AND ORDER.--WITHIN
[90] 60 DAYS AFTER THE MAILING DATE OF THE DEPARTMENT'S NOTICE
OF DECISION AND ORDER ON A PETITION FILED WITH IT, A TAXPAYER
MAY PETITION THE BOARD TO REVIEW THE DECISION AND ORDER OF THE
DEPARTMENT.

(B) PETITION FOR REVIEW OF DENIAL BY DEPARTMENT'S FAILURE TO
ACT.--A PETITION FOR REVIEW MAY BE FILED WITH THE BOARD WITHIN
[90] 60 DAYS AFTER THE MAILING DATE OF THE DEPARTMENT'S NOTICE
TO THE PETITIONER OF ITS FAILURE TO DISPOSE OF THE PETITION
WITHIN THE TIME PERIODS PRESCRIBED BY SECTION 2703(D) [OR] (E)
OR (E.1).

* * *

(D.2) EVIDENCE.--THE PETITIONER AND THE DEPARTMENT SHALL BE
ENTITLED TO PRESENT ORAL AND DOCUMENTARY EVIDENCE IN SUPPORT OF
THEIR POSITIONS. THE PETITIONER AND THE DEPARTMENT WILL BE
PROVIDED THE OPPORTUNITY TO COMMENT UPON ANY SUBMITTED EVIDENCE
AND PROVIDE WRITTEN AND ORAL ARGUMENT TO SUPPORT THEIR
POSITIONS. WRITTEN ARGUMENTS AND EVIDENCE SUBMITTED TO THE BOARD SHALL BE SUBMITTED TO THE OTHER PARTY. IF WRITTEN ARGUMENTS AND EVIDENCE ARE NOT SUBMITTED TO THE OTHER PARTY, THE BOARD SHALL NOT TAKE NOTICE OF THE WRITTEN ARGUMENTS OR EVIDENCE.

(D.3) EX PARTE COMMUNICATIONS.--THE MEMBERS OR STAFF OF THE BOARD SHALL NOT PARTICIPATE IN ANY EX PARTE COMMUNICATIONS WITH THE PETITIONER OR THE DEPARTMENT OR THEIR REPRESENTATIVES REGARDING THE SPECIFIC PROCEDURE OR MERITS OF ANY TAX APPEAL PENDING BEFORE THE BOARD UNLESS THE OTHER PARTY AGREES. ANY INFORMATION OR DOCUMENTATION PROVIDED TO THE MEMBERS OR STAFF OF THE BOARD BY THE PETITIONER OR THE DEPARTMENT OR THEIR REPRESENTATIVES IN A COMMUNICATION REGARDING THE SPECIFIC PROCEDURE OR MERITS OF ANY APPEAL PENDING BEFORE THE BOARD SHALL ALSO BE PROMPTLY PROVIDED TO THE OTHER PARTY.

* * *


* * *

(D.7) COMPROMISE SETTLEMENT.--THE FOLLOWING APPLY:

(1) THE BOARD SHALL ESTABLISH PROCEDURES TO FACILITATE
THE COMPROMISE SETTLEMENT OF ISSUES ON APPEAL. A COMPROMISE SETTLEMENT SHALL BE ORDERED BY THE BOARD ONLY WITH THE AGREEMENT OF BOTH THE PETITIONER AND THE DEPARTMENT. THE PROVISIONS OF SECTION 2707(C) SHALL BE APPLICABLE TO COMPROMISE SETTLEMENTS UNDER THIS SECTION.

(2) A COMPROMISE SETTLEMENT MAY BE SUBMITTED TO THE BOARD AT ANY TIME BEFORE THE BOARD'S DECISION AND ORDER, INCLUDING AFTER THE BOARD GRANTS RECONSIDERATION OF A DECISION AND ORDER.


(4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, IF THE PARTIES ARE NEGOTIATING A COMPROMISE SETTLEMENT, BOTH PARTIES MAY REQUEST AND THE BOARD MAY EXTEND THE TIME PERIOD FOR DISPOSING THE PETITION.

(E) [DECISION AND ORDER.--THE BOARD SHALL ISSUE A DECISION AND ORDER IN WRITING DISPOSING OF A PETITION ON ANY BASIS AS IT DEEMS TO BE IN ACCORDANCE WITH LAW AND EQUITY. A DECISION AND ORDER SHALL INCLUDE THE CONCLUSIONS REACHED AND THE FACTS ON WHICH THE DECISION WAS BASED. THE DECISION AND ORDER SHALL BE APPROVED BY A MAJORITY OF THE BOARD. A COPY OF THE DECISION AND ORDER AND ANY DISSENTING OPINION SHALL BE SENT TO THE PETITIONER UTILIZING THE METHOD IDENTIFIED BY THE PETITIONER AND BY 20170HB0542PN2259 - 88 -]
ELECTRONIC MEANS TO THE DEPARTMENT.

TYPES OF CLAIMS.--THE FOLLOWING APPLY:

(1) ALL PETITIONS IN WHICH, IN THE AGGREGATE, THE CONTESTED TAX DOES NOT EXCEED THE THRESHOLD AMOUNT UNDER PARAGRAPH (3), SHALL BE ADDRESSED BY THE BOARD AS A SUMMARY CLAIM UNLESS THE PETITIONER OR DEPARTMENT ELECTS TO TREAT THE PETITION AS A STANDARD CLAIM. A SUMMARY CLAIM SHALL BE ADDRESSED BY THE BOARD UNDER THE FOLLOWING PROCEDURES:

(I) UPON THE FILING OF A SUMMARY CLAIM, THE BOARD SHALL ISSUE A NOTICE OF INTENT TO RESOLVE THE CLAIM SUMMARILY TO THE PETITIONER AND THE DEPARTMENT.

(II) THE PETITIONER OR THE DEPARTMENT SHALL BE AFFORDED 60 DAYS FROM THE MAILING DATE OF THE NOTICE UNDER SUBPARAGRAPH (I) TO MAKE AN ELECTION TO TREAT AS A STANDARD CLAIM.

(III) IF THE BOARD DOES NOT RECEIVE AN ELECTION PRIOR TO THE EXPIRATION OF THE 60-DAY PERIOD UNDER SUBPARAGRAPH (II), THE BOARD SHALL ADDRESS THE PETITION AS A SUMMARY CLAIM.

(IV) THE BOARD SHALL ISSUE AN ORDER IN WRITING DISPOSING OF A PETITION UNDER THIS PARAGRAPH ON ANY BASIS AS IT DEEMS TO BE IN ACCORDANCE WITH LAW AND EQUITY. THE ORDER SHALL INCLUDE THE CONCLUSIONS REACHED AND THE FACTS ON WHICH THE DECISION WAS BASED. AN ORDER DISPOSING OF A PETITION MUST BE APPROVED BY A MAJORITY OF BOARD MEMBERS. A COPY OF AN ORDER, INCLUDING ANY DISSENTING OPINIONS, SHALL BE SENT TO THE PETITIONER UTILIZING THE METHOD IDENTIFIED BY THE PETITIONER AND TO THE DEPARTMENT BY ELECTRONIC MEANS.

(V) A SUMMARY CLAIM ORDER SHALL NOT BE APPEALABLE,
BE PUBLISHED ON THE BOARD'S PUBLICLY ACCESSIBLE INTERNET
WEBSITE SUBJECT TO EX PARTE COMMUNICATIONS PROHIBITIONS
OR BE PRECEDENT UNDER SECTION 210 OF THE ACT OF DECEMBER
20, 1996 (P.L.1504, NO.195), KNOWN AS THE TAXPAYERS' BILL
OF RIGHTS.

(2) ALL PETITIONS IN WHICH, IN THE AGGREGATE, THE
CONTESTED TAX IS IN EXCESS OF THE THRESHOLD AMOUNT
ESTABLISHED UNDER PARAGRAPH (3), SHALL BE ADDRESSED BY THE
BOARD AS A STANDARD CLAIM. A STANDARD CLAIM SHALL BE
ADDRESSED BY THE BOARD UNDER THE FOLLOWING PROCEDURES:

(I) THE BOARD SHALL ISSUE AN ORDER IN WRITING
DISPOSING OF A PETITION ON ANY BASIS AS IT DEEMS IN
ACCORDANCE WITH LAW AND EQUITY. THE ORDER SHALL INCLUDE
THE CONCLUSIONS REACHED AND THE FACTS ON WHICH THE
DECISION WAS BASED. THE DECISION AND ORDER MUST BE
APPROVED BY A MAJORITY OF THE BOARD MEMBERS. A COPY OF
THE DECISION AND ORDER, INCLUDING ANY DISSENTING
OPINIONS, SHALL BE SENT TO THE PETITIONER UTILIZING THE
METHOD IDENTIFIED BY THE PETITIONER AND TO THE DEPARTMENT
BY ELECTRONIC MEANS.

(II) A STANDARD CLAIM ORDER BASED IN EQUITY SHALL
NOT BE PRECEDENT UNDER SECTION 210 OF THE TAXPAYERS' BILL
OF RIGHTS.

(3) THE THRESHOLD AMOUNT SHALL BE $6,000 FOR DETERMINING
WHETHER A PETITION SHALL BE TREATED AS A STANDARD CLAIM OR
SUMMARY CLAIM.

(F) TIME LIMIT FOR DECISION AND ORDER.--

(1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3), THE
BOARD SHALL ISSUE A DECISION AND ORDER DISPOSING OF A
PETITION WITHIN SIX MONTHS AFTER RECEIPT OF THE PETITION.
UPON THE REQUEST OF THE PETITIONER OR THE DEPARTMENT, THE
BOARD MAY EXTEND THE TIME PERIOD FOR THE BOARD TO DISPOSE OF
THE PETITION FOR ONE ADDITIONAL SIX-MONTH PERIOD.

(2) IF AT ANY TIME OF THE FILING OF A PETITION
IS UNDER THE JURISDICTION OF THE BOARD AND PROCEEDINGS ARE
PENDING IN A COURT OF COMPETENT JURISDICTION IN WHICH ANY
CLAIM MADE IN THE PETITION MAY BE ESTABLISHED, THE BOARD,
UPON THE WRITTEN REQUEST OF THE PETITIONER OR
DEPARTMENT, SHALL DEFER CONSIDERATION OF THE PETITION UNTIL
THE EXPIRATION DATE OF THE APPEAL PERIOD FROM THE FINAL
JUDGMENT OF THE COURT OF HIGHEST JURISDICTION DETERMINING THE
QUESTION OR QUESTIONS INVOLVED IN THE PETITION HAS BEEN
DECIDED. IF CONSIDERATION OF THE PETITION IS DEFERRED, THE
BOARD SHALL ISSUE A DECISION AND ORDER DISPOSING OF THE
PETITION WITHIN SIX MONTHS AFTER THE FINAL JUDGMENT.

(3) IF A MATTER PENDING BEFORE THE BOARD WOULD BE
MATERIALLY AFFECTED BY AN AUDIT OR OTHER PROCEEDING BEFORE
THE INTERNAL REVENUE SERVICE OR BY AN AUDIT OR OTHER
PROCEEDING CONDUCTED BY THE COMMONWEALTH OR ANOTHER STATE,
THE BOARD, UPON THE WRITTEN REQUEST OF THE PETITIONER, MAY
DEFER CONSIDERATION OF THE PETITION UNTIL SUCH TIME AS THE
OTHER AUDIT OR PROCEEDING IS COMPLETED. IF CONSIDERATION OF
THE PETITION IS DEFERRED, THE BOARD SHALL ISSUE A DECISION
AND ORDER DISPOSING OF THE PETITION WITHIN SIX MONTHS AFTER
THE AUDIT OR OTHER PROCEEDING IS FINAL.

* * *

(H) PUBLICATION OF DECISIONS.--

(1) THE BOARD SHALL PUBLISH EACH DECISION, ALONG WITH
ANY DISSENTING OPINION, WHICH GRANTS OR DENIES IN WHOLE OR IN
PART A PETITION FOR REVIEW OR A PETITION FOR REFUND.
(2) PRIOR TO PUBLICATION OF A DECISION, THE BOARD SHALL
EDIT THE DECISION TO REDACT THE FOLLOWING:

   (I) INFORMATION IDENTIFIED BY THE PETITIONER AS AND
THAT MEETS THE DEFINITION OF A TRADE SECRET OR
CONFIDENTIAL PROPRIETARY INFORMATION AS DEFINED IN
SECTION 102 OF THE ACT OF FEBRUARY 14, 2008 (P.L.6,
NO.3), KNOWN AS THE RIGHT-TO-KNOW LAW.

   (II) AN INDIVIDUAL'S SOCIAL SECURITY NUMBER, HOME
ADDRESS, DRIVER'S LICENSE NUMBER, PERSONAL FINANCIAL
INFORMATION AS DEFINED IN SECTION 102 OF THE RIGHT-TO-
KNOW LAW, HOME, CELLULAR OR PERSONAL TELEPHONE NUMBERS,
PERSONAL E-MAIL ADDRESSES, EMPLOYEE NUMBER OR OTHER
CONFIDENTIAL PERSONAL IDENTIFICATION NUMBER AND A RECORD
IDENTIFYING THE NAME, HOME ADDRESS OR DATE OF BIRTH OF A
CHILD 17 YEARS OF AGE OR YOUNGER.

   (III) SPECIFIC DOLLAR AMOUNTS OF TAX.

   (IV) INFORMATION PURSUANT TO THE RIGHT-TO-KNOW LAW.

   (3) THE DISCLOSURE OF ANY REMAINING INFORMATION,
INCLUDING THE NAME OF THE TAXPAYER AND THE NATURE OF THE
TAXPAYER'S BUSINESS, SHALL BE DEEMED NOT TO VIOLATE ANY
PROVISION OF LAW TO THE CONTRARY, INCLUDING:

   (I) SECTIONS 274, 353 AND 408.

   (II) 18 PA.C.S. § 7326 (RELATING TO DISCLOSURE OF
CONFIDENTIAL TAX INFORMATION).

   (III) SECTION 731 OF THE ACT OF APRIL 9, 1929
(P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

(4) DECISIONS SHALL BE INDEXED AND PUBLISHED ON A
PUBLICLY ACCESSIBLE INTERNET WEBSITE MAINTAINED BY THE BOARD.

(5) FOR SUMMARY CLAIMS, THE BOARD SHALL COMPILE AND
PUBLISH AN ANNUAL REPORT IDENTIFYING THE NUMBER OF PETITIONS
ADDRESS AS SUMMARY CLAIMS AND THE AGGREGATE AMOUNT REFUNDED
OR REASSESSED.

(H.1) CORRECTIVE DECISIONS AND ORDERS.--IF A FINAL
DECISION AND ORDER OF THE BOARD CONTAINS A SIGNIFICANT
ADMINISTRATIVE OR CALCULATION ERROR, THE BOARD MAY ISSUE A
CORRECTIVE DECISION AND ORDER IF BOTH THE PETITIONER AND THE
DEPARTMENT AGREE IN WRITING TO PERMIT THE BOARD TO ISSUE THE
CORRECTIVE DECISION AND ORDER. THE CORRECTIVE DECISION AND
ORDER MUST BE ISSUED WITHIN ONE YEAR OF THE DATE OF THE
PREVIOUS DECISION AND ORDER.

(H.2) PAYMENTS OR CREDITS.--A DECISION AND ORDER OF THE
BOARD SHALL NOT ADDRESS THE APPLICATION OF PAYMENTS OR
CREDITS TO A PETITIONER'S ACCOUNT UNLESS THE APPLICATION IS
AGREED TO IN A COMPROMISE BETWEEN THE PARTIES.

* * *

SECTION 16.1. THE ACT IS AMENDED BY ADDING AN ARTICLE TO
READ:

ARTICLE XXVIII

TOBACCO MASTER SETTLEMENT PAYMENT
REVENUE BONDS

SECTION 2801. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
CONTEXT CLEARLY INDICATES OTHERWISE:

"ACCOUNT." THE TOBACCO REVENUE BOND DEBT SERVICE ACCOUNT
ESTABLISHED IN SECTION 2805.

"ANNUAL PAYMENT." A PAYMENT RECEIVED BY THE COMMONWEALTH
UNDER SECTION IX(C)(1) OF THE MASTER SETTLEMENT AGREEMENT.

"AUTHORITY." THE COMMONWEALTH FINANCING AUTHORITY
ESTABLISHED UNDER 64 PA.C.S. CH. 15 (RELATING TO COMMONWEALTH
FINANCING AUTHORITY).

"FINANCE." THE ISSUANCE OF REVENUE BONDS UTILIZING A PORTION
OF ANNUAL PAYMENTS DUE TO THE COMMONWEALTH UNDER THE MASTER
SETTLEMENT AGREEMENT.

"FUND." THE TOBACCO SETTLEMENT FUND ESTABLISHED IN SECTION
1712-A.1 OF THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS
THE FISCAL CODE.

"MASTER SETTLEMENT AGREEMENT." THE SETTLEMENT AGREEMENT AND
RELATED DOCUMENTS ENTERED INTO ON NOVEMBER 23, 1998, BY THE
COMMONWEALTH AND LEADING UNITED STATES TOBACCO PRODUCT
MANUFACTURERS APPROVED BY THE COURT OF COMMON PLEAS,
PHILADELPHIA COUNTY, ON JANUARY 13, 1999.

"OFFICE." THE GOVERNOR'S OFFICE OF THE BUDGET.

"SECRETARY." THE SECRETARY OF THE BUDGET OF THE
COMMONWEALTH.

"TOBACCO SETTLEMENT ACT." THE ACT OF JUNE 26, 2001 (P.L.755,
NO.77), KNOWN AS THE TOBACCO SETTLEMENT ACT.

SECTION 2802. BOND ISSUANCE.

(A) DECLARATION OF POLICY.--THE GENERAL ASSEMBLY FINDS AND
DECLARES THAT:

(1) THE COMMONWEALTH EXPERIENCED A REVENUE DEFICIT OF
$1,106,700,308 IN GENERAL FUND REVENUE COLLECTIONS FOR FISCAL

(2) THE COMMONWEALTH'S GENERAL FUND CONTINUES TO
EXPERIENCE A STRUCTURAL DEFICIT WHERE ANNUAL EXPENDITURES
EXCEED RECURRING REVENUE COLLECTIONS.

(3) THE GENERAL FUND FOR FISCAL YEAR 2016-2017 REVENUE
SHORTFALL IN COMBINATION WITH THE STRUCTURAL DEFICIT,
INCREASED EXPENDITURE NEEDS AND INCREASED TAX REFUNDS
RESULTED IN A SIGNIFICANT NEGATIVE ENDING BALANCE IN THE
GENERAL FUND OF APPROXIMATELY $1,539,000,000 FOR FISCAL YEAR 2016-2017.

(4) A SIGNIFICANT PORTION OF THE COMMONWEALTH'S GENERAL FUND ANNUAL EXPENDITURES ARE DEDICATED TO THE PROTECTION OF THE HEALTH, SAFETY AND GENERAL WELFARE OF THE PEOPLE OF THIS COMMONWEALTH AND THE FURTHERANCE OF ECONOMIC DEVELOPMENT AND EFFICIENCY WITHIN THIS COMMONWEALTH BY PROVIDING BASIC SERVICES AND FACILITIES.


(6) THE PROVISIONS OF 64 PA.C.S. CH. 15 (RELATING TO COMMONWEALTH FINANCING AUTHORITY) ARE ENTITLED TO LIBERAL CONSTRUCTION IN ORDER TO EFFECT LEGISLATIVE AND PUBLIC PURPOSES.

(7) ONE OF THE STATED PURPOSES OF 64 PA.C.S. CH. 15 IS THE PROTECTION OF "THE HEALTH, SAFETY AND GENERAL WELFARE OF THE PEOPLE OF THIS COMMONWEALTH AND TO FURTHER ENCOURAGE ECONOMIC DEVELOPMENT AND EFFICIENCY WITHIN THIS COMMONWEALTH BY PROVIDING BASIC SERVICES AND FACILITIES," AND "IT IS NECESSARY TO PROVIDE ADDITIONAL OR ALTERNATE MEANS OF FINANCING INFRASTRUCTURE FACILITIES, TRANSPORTATION SYSTEMS, INDUSTRIAL PARKS, ENERGY CONVERSION FACILITIES, FACILITIES FOR THE FURNISHING OF ENERGY, WATER AND TELECOMMUNICATIONS, FACILITIES FOR THE COLLECTION OR TREATMENT OF WASTEWATER AND STORM WATER, TOURISM, PARKING FACILITIES, HEALTH CARE FACILITIES AND OTHER BASIC SERVICE AND RELATED FACILITIES.
WHICH ARE CONDUCIVE TO ECONOMIC ACTIVITY WITHIN THIS COMMONWEALTH" UNDER 64 PA.C.S. § 1503(6) (RELATING TO FINDINGS AND DECLARATION OF POLICY).

(8) THE TOBACCO SETTLEMENT FUND IS A SPECIAL REVENUE FUND ESTABLISHED FOR THE PURPOSE OF PROVIDING FUNDING FOR VARIOUS COMMONWEALTH PROGRAMS.


(B) AUTHORITY.--NOTWITHSTANDING ANY OTHER LAW, THE AUTHORITY SHALL ESTABLISH A PROGRAM TO ISSUE BONDS ON BEHALF OF THE COMMONWEALTH, THE PROCEEDS OF WHICH SHALL BE DEPOSITED IN THE GENERAL FUND TO PROVIDE GENERAL FUND BUDGETARY RELIEF NECESSARY FOR THE PROTECTION OF THE HEALTH, SAFETY AND GENERAL WELFARE OF THE PEOPLE OF THIS COMMONWEALTH AND THE FURTHERANCE OF ECONOMIC DEVELOPMENT AND EFFICIENCY WITHIN THIS COMMONWEALTH BY PROVIDING BASIC SERVICES AND FACILITIES.

(C) DEBT OR LIABILITY.--

(1) BONDS ISSUED UNDER THIS ARTICLE SHALL NOT BE A DEBT OR LIABILITY OF THE COMMONWEALTH AND SHALL NOT CREATE OR CONSTITUTE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE COMMONWEALTH.

(2) BOND OBLIGATIONS SHALL BE PAYABLE SOLELY FROM REVENUES OR FUNDS PLEDGED OR AVAILABLE FOR REPAYMENT AS
AUTHORIZED UNDER THIS ARTICLE.

(3) EACH BOND MUST CONTAIN ON ITS FACE A STATEMENT THAT:

(I) THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL
OF OR INTEREST ON THE BONDS ONLY FROM THE REVENUES OR
FUNDS PLEDGED OR AVAILABLE FOR REPAYMENT AS AUTHORIZED
UNDER THIS ARTICLE.

(II) THE COMMONWEALTH SHALL NOT BE OBLIGATED TO PAY
THE PRINCIPAL OF OR INTEREST ON THE BONDS.

(III) THE FULL FAITH AND CREDIT OF THE COMMONWEALTH
IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE
INTEREST ON THE BONDS.

SECTION 2803. LIMITATIONS ON BOND ISSUANCE.

(A) MAXIMUM PRINCIPAL AMOUNT.--THE AUTHORITY MAY ISSUE BONDS
UNDER THIS ARTICLE IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT
SUFFICIENT TO RAISE NET PROCEEDS OF $1,300,000,000, UNLESS THE
AUTHORITY AND THE OFFICE DETERMINE THIS AMOUNT IS INSUFFICIENT
TO CARRY OUT THE PURPOSES OF THIS ARTICLE, THEN THE AUTHORITY
SHALL ADOPT A RESOLUTION TO PETITION THE SECRETARY TO INCREASE
THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT. THE SECRETARY MAY
APPROVE THE PETITION AND, IF APPROVED, SHALL PUBLISH NOTICE OF
THE APPROVAL IN THE PENNSYLVANIA BULLETIN.

(B) LIMITATION.--THE AUTHORITY SHALL NOT ISSUE ANY BONDS
UNDER THIS ARTICLE, EXCEPT REFUNDING BONDS, AFTER JUNE 30, 2019.
THE AUTHORITY, IN CONSULTATION WITH THE OFFICE, SHALL DETERMINE
THE PRINCIPAL AMOUNTS OF TAXABLE BONDS AND TAX-EXEMPT BONDS TO

(C) REFUNDING BONDS.--NOTWITHSTANDING ANY OTHER LIMITATION,
THE AUTHORITY, AT THE REQUEST OF THE SECRETARY, MAY ISSUE
REFUNDING BONDS AT ANY TIME WHILE BONDS ISSUED UNDER THIS
ARTICLE ARE OUTSTANDING, PROVIDED THAT THE FINAL MATURITY OF A
20170HB0542PN2259
SERIES OF BONDS BEING REFUNDED SHALL NOT BE EXTENDED.

(D) INTEREST.—INTEREST ON BONDS ISSUED UNDER THIS ARTICLE AND REFUNDING BONDS AUTHORIZED UNDER THIS SECTION SHALL BE PAYABLE AT THE TIME OR TIMES THE AUTHORITY DETERMINES IN THE RESOLUTION AUTHORIZING THE BONDS AND SHALL OTHERWISE BE SUBJECT TO THE OTHER PROVISIONS OF THE 64 PA.C.S. CH. 15 (RELATING TO COMMONWEALTH FINANCING AUTHORITY). INTEREST MAY BE CAPITALIZED FOR A PERIOD NOT TO EXCEED TWO YEARS.

(E) DEBT LIMITATIONS.—THE AGGREGATE PRINCIPAL AMOUNT OF BONDS SPECIFIED IN THIS SECTION SHALL NOT BE SUBJECT TO THE DEBT LIMITATIONS SPECIFIED IN 64 PA.C.S. § 1543 (RELATING TO INDEBTEDNESS).

(F) TERM OF BONDS.—THE TERM OF THE BONDS ISSUED UNDER THIS ARTICLE MAY NOT EXCEED 30 YEARS.

SECTION 2804. FINANCE PLEDGE.

(A) ANNUAL PAYMENTS.—

(1) ANNUAL PAYMENTS RECEIVED UNDER THE MASTER SETTLEMENT AGREEMENT ARE PLEDGED BY THE COMMONWEALTH IN THE AMOUNT CERTIFIED BY THE SECRETARY UNDER PARAGRAPH (2) FOR PAYMENT OF PRINCIPAL AND INTEREST FOR BONDS ISSUED BY THE AUTHORITY UNDER THIS ARTICLE.

(2) THE SECRETARY SHALL CERTIFY THE AMOUNT OF ANNUAL PAYMENTS NECESSARY TO BE PLEDGED FOR PAYMENT OF PRINCIPAL AND INTEREST FOR BONDS ISSUED BY THE AUTHORITY UNDER THIS ARTICLE PRIOR TO THE ISSUANCE OF BONDS UNDER THIS ARTICLE. THE CERTIFICATION SHALL BE PUBLISHED AS A NOTICE IN THE PENNSYLVANIA BULLETIN.

(B) GENERAL REVENUES.—

(1) THE COMMONWEALTH MAY PLEDGE FROM THE GENERAL REVENUES OF THE COMMONWEALTH THE SECOND DOLLAR OF REVENUES.
COLLECTED BY THE COMMONWEALTH UNDER ARTICLE II FOR THE
PAYMENT OF PRINCIPAL AND INTEREST FOR THE BONDS ISSUED BY THE
AUTHORITY UNDER THIS ARTICLE. A PLEDGE MADE UNDER THIS
SUBSECTION SHALL BE SUBORDINATE TO THE PLEDGE OF ARTICLE II
REVENUES MADE IN SECTION 1753.1-E OF THE ACT OF APRIL 9, 1929
(P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

(2) THE SECRETARY SHALL CERTIFY THE ANNUAL AMOUNT OF
GENERAL REVENUES TO BE PLEDGED TO SUPPLEMENT AMOUNTS PLEDGED
UNDER SUBSECTION (A) FOR PAYMENT OF PRINCIPAL AND INTEREST
FOR BONDS ISSUED BY THE AUTHORITY UNDER THIS ARTICLE PRIOR TO
THE ISSUANCE OF BONDS UNDER THIS ARTICLE. THE CERTIFICATION
SHALL BE PUBLISHED AS A NOTICE IN THE PENNSYLVANIA BULLETIN.

(3) A PLEDGE UNDER THIS SUBSECTION MAY BE PRIMARY
SECURITY OR SUBORDINATE TO AMOUNTS PLEDGED IN SUBSECTION (A).

SECTION 2805. TOBACCO REVENUE BOND DEBT SERVICE ACCOUNT.

(A) ESTABLISHMENT.--THERE IS ESTABLISHED IN THE STATE
TREASURY A RESTRICTED ACCOUNT IN THE GENERAL FUND TO BE KNOWN AS
THE TOBACCO REVENUE BOND DEBT SERVICE ACCOUNT.

(B) ANNUAL PAYMENTS.--THE AMOUNT OF EACH ANNUAL PAYMENT
RECEIVED UNDER THE MASTER SETTLEMENT AGREEMENT AND PLEDGED BY
THE COMMONWEALTH UNDER SECTION 2804 AND CERTIFIED BY THE
SECRETARY FOR THE PAYMENT OF PRINCIPAL AND INTEREST FOR BONDS
ISSUED UNDER THIS ARTICLE SHALL BE DEPOSITED IN THE ACCOUNT UPON
RECEIPT OF EACH ANNUAL PAYMENT.

(C) GENERAL REVENUE.--GENERAL REVENUES PLEDGED BY THE
COMMONWEALTH IN SECTION 2804 AND CERTIFIED BY THE SECRETARY FOR
THE PAYMENT OF PRINCIPAL AND INTEREST FOR BONDS ISSUED UNDER
THIS ARTICLE SHALL BE DEPOSITED IN AMOUNTS DETERMINED BY THE
SECRETARY.

(D) PAYMENTS ON BONDS.--PAYMENTS OF PRINCIPAL AND INTEREST
DUE ON THE BONDS SHALL BE MADE FROM THE ACCOUNT.

SECTION 2806. SERVICE AGREEMENT AUTHORIZED.

(A) AUTHORIZATION.--THE AUTHORITY AND THE OFFICE MAY ENTER
INTO AN AGREEMENT OR SERVICE AGREEMENT TO EFFECTUATE THE
PURPOSES OF THIS ARTICLE, INCLUDING AN AGREEMENT TO SECURE BONDS
ISSUED UNDER THIS ARTICLE, UNDER WHICH THE SECRETARY SHALL AGREE
TO PAY SERVICE CHARGES TO THE AUTHORITY IN EACH FISCAL YEAR THAT
THE BONDS OR REFUNDING BONDS ARE OUTSTANDING IN AMOUNTS
SUFFICIENT TO TIMELY PAY IN FULL THE DEBT SERVICE AND ANY OTHER
FINANCING COSTS DUE ON THE BONDS ISSUED UNDER THIS ARTICLE.

(B) PAYMENT OF SERVICE CHARGES.--THE OFFICE'S PAYMENT OF ANY
SERVICE CHARGES SHALL BE SUBJECT TO AND DEPENDENT UPON APPROVAL
BY THE AUTHORITY AND THE APPROPRIATION OF FUNDS BY THE GENERAL
ASSEMBLY TO THE OFFICE FOR PAYMENT OF ANY SERVICE CHARGES.

(C) AMENDMENT OF AGREEMENT.--THE SERVICE AGREEMENT MAY BE
AMENDED OR SUPPLEMENTED BY THE AUTHORITY AND THE OFFICE IN
CONNECTION WITH THE ISSUANCE OF A SERIES OF BONDS OR REFUNDING
BONDS AUTHORIZED IN THIS SECTION.

SECTION 2807. DEPOSIT OF BOND PROCEEDS.

THE NET PROCEEDS OF BONDS, OTHER THAN REFUNDING BONDS,
EXCLUSIVE OF COSTS OF ISSUANCE, RESERVES AND OTHER FINANCING
CHARGES, SHALL BE TRANSFERRED BY THE AUTHORITY TO THE STATE
TREASURER FOR DEPOSIT INTO THE GENERAL FUND AND SHALL BE
AVAILABLE FOR EXPENDITURE AS PROVIDED IN THIS ARTICLE UPON
APPROPRIATION BY THE GENERAL ASSEMBLY.

SECTION 2808. LIMITATION ON APPROPRIATIONS.

THE AMOUNT OF ANNUAL PAYMENTS FROM THE MASTER SETTLEMENT
AGREEMENT THAT ARE PLEDGED AND CERTIFIED BY THE SECRETARY UNDER
SECTION 2804 FOR THE PAYMENT OF PRINCIPAL AND INTEREST FOR BONDS
ISSUED UNDER THIS ARTICLE SHALL NOT BE SUBJECT TO APPROPRIATION
UNDER SECTION 1713-A.1 OF THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

SECTION 17. SECTION 3003.6 OF THE ACT IS AMENDED TO READ:

SECTION 3003.6. TIMELY FILING.—THE FOLLOWING APPLY:

(1) A TAXPAYER SHALL BE DEEMED TO HAVE TIMELY FILED A PETITION FOR REASSESSMENT OR ANY OTHER PROTEST RELATING TO THE ASSESSMENT OF TAX OR ANY OTHER MATTER RELATING TO ANY TAX IMPOSED BY THIS ACT IF THE LETTER TRANSMITTING THE PETITION IS RECEIVED BY THE DEPARTMENT OF REVENUE OR IS POSTMARKED BY THE UNITED STATES POSTAL SERVICE ON OR PRIOR TO THE FINAL DAY ON WHICH THE PETITION IS REQUIRED TO BE FILED.

(2) FOR PURPOSES OF FILING A PETITION FOR REFUND, A PETITION FOR REASSESSMENT OR A PETITION FOR REDETERMINATION WITH EITHER THE DEPARTMENT OF REVENUE OR THE BOARD OF FINANCE AND REVENUE, A LETTER POSTMARKED BY THE UNITED STATES POSTAL SERVICE UNDER PARAGRAPH (2) SHALL INCLUDE ANY DATE RECORDED OR MARKED AS DESCRIBED UNDER SECTION 7502(F)(2) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 7502(F)(2)).


SECTION 19. SEVERABILITY IS AS FOLLOWS:

IF SECTION 2403-A OR ANY PROVISION OF ARTICLE XXIV-B OR XXIV-C OF THE ACT, AS ADDED BY THIS ACT, IS HELD INVALID, THE REMAINING PROVISIONS OF ARTICLE XXIV-A OF THE ACT, AS ADDED BY THIS ACT, ARE VOID.

SECTION 20. THIS ACT SHALL APPLY AS FOLLOWS:

(1) THE TAX IMPOSED UNDER SECTION 2202 OF THE ACT SHALL
APPLY TO TRANSACTIONS OCCURRING AT LEAST 30 DAYS AFTER THE
EFFECTIVE DATE OF THIS PARAGRAPH.

(2) THE AMENDMENT OR ADDITION OF THE FOLLOWING
PROVISIONS OF THE ACTS SHALL APPLY TO PETITIONS FOR REFUNDS,
PETITIONS FOR REASSESSMENTS AND PETITIONS FOR
REDETERMINATIONS FILED WITH THE DEPARTMENT ON OR AFTER 60
DAYS FROM THE EFFECTIVE DATE OF THIS SECTION:

(I) SECTION 2702(A) AND (A.1).

(II) SECTION 2703(E), (E.1) AND (F).

(III) SECTION 2704(A), (B), (D.2), (D.3), (D.5),
(D.7), (E), (F), (H), (H.1) AND (H.2).

SECTION 21. REPEALS ARE AS FOLLOWS:

(1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF
SUBARTICLE E OF ARTICLE XVII-D.

(2) 12 PA.C.S. CH. 33 IS REPEALED.

(3) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
PARAGRAPH (4) IS NECESSARY TO EFFECTUATE THE ADDITION OF
ARTICLE XXIV OF THE ACT.

(4) THE ACT OF MAY 15, 1939 (P.L.134, NO.65), REFERRED
TO AS THE FIREWORKS LAW, IS REPEALED.

(5) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
PARAGRAPH (6) IS NECESSARY TO EFFECTUATE THE ADDITION OF
ARTICLE XXIV-A OF THE ACT.

(6) 58 PA.C.S. § 2318 IS REPEALED.

(7) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
PARAGRAPH (8) IS NECESSARY TO EFFECTUATE THE AMENDMENT OF
SECTION 3003.6 OF THE ACT.

(8) SECTION 1102.1 OF THE ACT OF APRIL 9, 1929 (P.L.343,
NO.176), KNOWN AS THE FISCAL CODE, IS REPEALED.
SECTION 22. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

(1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 60 DAYS:

(I) THE ADDITION OF SECTION 401(3)4(C.1) OF THE ACT.

(II) THE ADDITION OF PART IV-A OF ARTICLE IV OF THE ACT.

(III) THE ADDITION OF THE DEFINITIONS OF "DETERIORATED PROPERTY" AND "FILM PRODUCTION TAX CREDIT DISTRICT" IN SECTION 1711-D OF THE ACT.

(IV) THE ADDITION OF SECTION 1712-D(B.1).

(V) THE ADDITION OF SECTION 1716.2-D OF THE ACT.

(VI) THE ADDITION OF ARTICLE XXIV OF THE ACT.

(VII) THE ADDITION OF SECTION 2403-A OF THE ACT.

(VIII) THE AMENDMENT OF SECTION 2702(A) AND (A.1) OF THE ACT.

(IX) THE AMENDMENT OR ADDITION OF SECTION 2703(E), (E.1) AND (F) OF THE ACT.

(X) THE AMENDMENT OR ADDITION OF SECTION 2704(A), (B), (D.2), (D.3), (D.5), (D.7), (E), (F), (H), (H.1) AND (H.2) OF THE ACT.

(XI) SECTION 21(3) AND (4) OF THIS ACT.

(2) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 90 DAYS:

(I) THE ADDITION OF ARTICLE XXIV-C OF THE ACT.

(II) (RESERVED).

(3) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 120 DAYS:

(I) THE ADDITION OF ARTICLE XXIV-B OF THE ACT.

(II) (RESERVED).

(4) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT AUGUST 1, 2017.
2017, OR IMMEDIATELY, WHICHEVER IS LATER:

   (I) THE AMENDMENT OR ADDITION OF SECTION 1101(A) INTRODUCTORY PARAGRAPH, (B) HEADING AND INTRODUCTORY PARAGRAPH, (B.2), (C), (C.1), (E), (F), (F.1), (J.1) AND (J.2) OF THE ACT.

   (II) THE ADDITION OF PARTS V AND VI OF ARTICLE XI OF THE ACT.

(5) (RESERVED).

(6) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 365 DAYS:

   (I) THE AMENDMENT OF THE DEFINITION OF "CONTRACTING AUTHORITY" IN SECTION 1902-B OF THE ACT.

   (II) THE ADDITION OF SECTION 1904.3-B OF THE ACT.


(8) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IMMEDIATELY:

   (I) THIS SECTION.

   (II) THE REMAINDER OF THIS ACT.