



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 91

PRINTERS NO. 4310

PRIME SPONSOR: Evankovich

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	\$0	\$0

SUMMARY: House Bill 91, Printer's Number 4310, amends the Tax Reform Code further providing for educational improvement tax credit; repealing provisions relating to educational opportunity scholarship tax credit; and further providing for definitions and establishment of contracting authority in city revitalization and improvement zones.

ANALYSIS: This legislation amends the Tax Reform Code combining the Educational Improvement Tax Credit (EITC) and the Educational Opportunity Scholarship Tax Credit (EOSTC) into Article XVII-F and renames the article Educational Tax Credits. Furthermore, the amendment does the following:

- 1) adds the Malt Beverage Tax to the definition of "applicable taxes";
- 2) adds a definition for "career and technical school";
- 3) amends the definition of "public school" to include a career and technical school;
- 4) expands the definition of a pass-through entity;
- 5) further provides for the utilization of tax credits that are passed-through to shareholders, partners or members;
- 6) adds five-year old and six-year old students to the definition of "Pre-kindergarten program";
- 7) provides that a business firm may make a two-year commitment for a contribution to a pre-kindergarten scholarship organization with at least the same amount of contribution;
- 8) provides that if all tax credits have not been awarded as of October 1, DCED shall accept applications for tax credits through November 30 from business firms, including those that already applied for the maximum amount;
- 9) provides for a waiting list of business firms; and
- 10) provides for the reallocation of unused tax credits beginning January 1.

Furthermore, this legislation makes technical changes in Article XVIII-C (City Revitalization and Improvement Zones) clarifying that a contracting authority may be established by a borough or township and such contracting authority may designate a zone under this article. These technical changes are necessary in order for DCED to approve a pilot zone which was authorized pursuant to Act 52 of 2013.

The act shall take effect immediately.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds as the total amount of tax credits available to be awarded in a fiscal year remains unchanged from current law.

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Ritchie LaFaver
House Appropriations Committee (R)

DATE: October 15, 2014

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.