

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," providing for an automated external defibrillator
11 tax credit.

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

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

17 ARTICLE XVIII-I

18 AUTOMATED EXTERNAL DEFIBRILLATOR TAX CREDIT

19 Section 1801-I. Definitions.

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

1 "Automated external defibrillator" or "AED." A portable
2 device that uses electric shock to restore a stable heart rhythm
3 to an individual in cardiac arrest.

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

5 "Pass-through entity." Any of the following:

6 (1) A partnership, limited partnership, limited
7 liability company, business trust or other unincorporated
8 entity that for Federal income tax purposes is taxable as a
9 partnership.

10 (2) A Pennsylvania S corporation.

11 "Qualified tax liability." The liability for taxes imposed
12 under Article III or IV for taxable years beginning after
13 December 31, 2020.

14 "Small business." An employer that employed an average of
15 fewer than 50 full-time equivalent employees during the
16 immediately preceding taxable year.

17 "Tax credit." The automated external defibrillator tax
18 credit established under this article.

19 "Taxpayer." An entity authorized to do business in this
20 Commonwealth and subject to taxes imposed under Article III or
21 IV. The term does not include an individual.

22 Section 1802-I. Automated External Defibrillator Tax Credit.

23 The Automated External Defibrillator Tax Credit is
24 established to encourage the placement of automated external
25 defibrillators in publicly and privately accessible buildings in
26 this Commonwealth.

27 Section 1803-I. Application process.

28 (a) Application.--A taxpayer must apply to the department
29 for approval of a tax credit, in a form and manner prescribed by
30 the department.

1 (b) Awarding tax credits.--The department may not award more
2 than \$5,000 in tax credits to any single taxpayer for a single
3 taxable year.

4 (c) Proration.--

5 (1) If at the close of the fiscal year, a portion of the
6 amount authorized in Section 1804-I(b) has not been awarded,
7 the remaining balance shall be awarded to any taxpayer who
8 already received in the taxable year a tax credit, up to the
9 balance of the cost to the taxpayer for the purchase of an
10 automated external defibrillator under section 1804-I(a) in
11 excess of the limitation under subsection (b).

12 (2) If the balance under paragraph (1) is insufficient
13 for the department to award the eligible taxpayers the
14 balance of the automatic external defibrillators in the
15 aggregate, the tax credit under this subsection shall be
16 prorated among all applicants that have qualified for the tax
17 credit.

18 (d) Notification.--The department shall notify the taxpayer
19 whether the taxpayer meets the requirements under this article
20 for the tax credit no later than 60 days after the taxpayer has
21 submitted the application required under this article.

22 Section 1804-I. Amount of tax credit.

23 (a) Amount of tax credit.--The amount of the tax credit
24 shall be the cost to the taxpayer for the purchase, other than
25 for resale, of an automated external defibrillator for use by
26 any individual present in the building, located in this
27 Commonwealth, where the automated external defibrillator is
28 placed during the taxable year, not to exceed \$500 per unit
29 purchased.

30 (b) Limitation on amount.--The department shall allocate no

1 more than \$10,000,000 in tax credits for a single taxable year
2 as follows:

3 (1) Not more than \$5,000,000 shall be allocated
4 exclusively for small businesses.

5 (2) The remainder shall be allocated to applicants that
6 are not small businesses.

7 (c) Duration of tax credit --A tax credit awarded under this
8 article is limited to the qualified liability of a taxpayer in
9 the taxable year in which the automated external defibrillator
10 was purchased. The tax credit may not be sold, assigned, passed
11 through, carried forward, carried back or refunded. No credits
12 granted under this section shall be applied against any tax
13 withheld by an employer from an employer under Article III.
14 Section 1805-I. Shareholder, owner or member pass-through.

15 (a) Pennsylvania S corporation shareholder.--If a
16 Pennsylvania S corporation does not have an eligible tax
17 liability against which the tax credit may be applied, a
18 shareholder of the Pennsylvania S corporation shall be entitled
19 to a tax credit equal to the tax credit determined for the
20 Pennsylvania S corporation for the taxable year multiplied by
21 the percentage of the Pennsylvania S corporation's distributive
22 income to which the shareholder is entitled.

23 (b) Pass-through entity owner or member.--If a pass-through
24 entity other than a Pennsylvania S corporation does not have an
25 eligible tax liability against which the tax credit may be
26 applied, an owner or member of the pass-through entity is
27 entitled to a tax credit equal to the tax credit determined for
28 the pass-through entity for the taxable year multiplied by the
29 percentage of the pass-through entity's distributive income to
30 which the owner or member is entitled.

1 (c) Additional tax credit.--The tax credit provided under
2 subsection (a) or (b) shall be in addition to any tax credit to
3 which a shareholder, owner or member of a pass-through entity is
4 otherwise entitled under this article, except that a pass-
5 through entity and a shareholder, owner or member of a pass-
6 through entity may not claim a tax credit under this article for
7 the same purchase of an AED.

8 Section 1806-I. Report to General Assembly.

9 The Secretary of Revenue shall submit an annual report to the
10 General Assembly indicating the effectiveness of the tax credits
11 provided under this article no later than March 15 following the
12 year in which the tax credits were approved and each March 15
13 thereafter. The report shall include the amount of tax credits
14 approved and the number automated external defibrillators for
15 which a tax credit was received during the preceding taxable
16 year.

17 Section 1807-I. Administration.

18 The department shall promulgate regulations and issue
19 guidelines necessary to implement this article, including
20 information on the recommended placement of automated external
21 defibrillators in consultation with the Department of Health.

22 Section 2. The addition of Article XVIII-I of the act shall
23 apply to taxable years beginning after December 31, 2020.

24 Section 3. This act shall take effect immediately.