

STATE TAX SUMMARY: OCTOBER/NOVEMBER 2018

Tax Reform Code Changes

Act 100 of 2018 – HB 645

- **Neighborhood Assistance Tax Credit:** Beginning July 1, 2019, the total aggregate amount of tax credits available in any fiscal year for the Neighborhood Assistance Tax Credit shall increase to \$36 million from \$18 million.
- **Realty Transfer Exemption:** Transfers of real estate by a housing authority created under the Housing Authorities Law to a nonprofit organization which is utilizing the real estate for the purpose of Rental Assistance Demonstration administered by the U.S. Department of Housing and Urban Development are exempt from realty transfer tax. This applies to a county of the fifth class with a population between 115,000 and 118,000 that filed an appeal with the Board of Finance and Revenue after December 31, 2015.

Act 109 of 2018 – HB 1511

- **Hotel Occupancy Tax:** Booking agents that act as intermediaries in facilitating the short-term booking of an occupancy are required to collect and remit hotel occupancy tax on the room as well as any additional amounts charged, including accommodation fees. The tax collected on accommodation fees will be deposited into the Tourism Promotion Fund and disbursed for the purpose of promoting tourism within the commonwealth. Act 109 will take effect on January 22, 2019.

Act 131 of 2018 – SB 627

- **Corporation Tax – Qualified Air Freight Forwarder:** Applicable to taxable years beginning after December 31, 2016, qualified air freight forwarding companies are now included along with railroad, truck, bus, and airline companies to provide for income apportionment under the Corporate Net Income Tax (CNIT). Qualified companies include those that are engaged in the air freight forwarding business, primarily use an airline with which it has common ownership and control, and will use the revenue miles of the airline for apportioning its income.

Human Services Code Change

Act 125 of 2018 – SB 6

- **Lottery Winner Data Exchange:** The Pennsylvania Lottery is tasked with maintaining a Lottery winners' database for individuals who have lottery winnings of \$600 or more. The database will be crosschecked with the social security numbers of all public assistance applicants. All lottery winnings of \$600 or more shall be considered an available resource in determining an applicant's eligibility for assistance from the Department of Human Services. Act 125 is effective in 60 days from October 24, 2018.

Freestanding Act

Act 107 of 2018 – HB 1284

- **PA Business One-Stop Shop Act:** The Pennsylvania Business One-Stop Shop shall provide, via electronic access, one-stop services to assist existing and potential business owners in identifying and securing the necessary appropriations permits, licenses, certifications, applications, forms, and registrations needed to lawfully establish and operate a business in Pennsylvania.
 - **On the web:** <https://business.pa.gov/>