

STATE TAX LEGISLATIVE SUMMARY - NOVEMBER 2020

Tax Reform Code Changes

Act 107 of 2020 (SB 30) – Act 107 makes the following changes to the Tax Reform Code:

- **State Housing Tax Credit Program:** Act 107 establishes the PA Housing Tax Credit administered by the Pennsylvania Housing Finance Agency (PHFA) to aid in the development of qualified low-income housing projects in the Commonwealth. The new program does not have funding available until appropriated by the General Assembly in a future enactment. Upon an enactment of funds by the General Assembly to make an amount of tax credits available, the Secretary of the Budget shall submit a notice to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin. The tax credit may be claimed at an amount not to exceed 50% of the taxpayer's qualified tax liability for a single taxable year.
- **City Revitalization and Improvement Zone (CRIZ):** Changes to the CRIZ law are as follows:
 - Effective July 23, 2020, qualified businesses have until August 31 to file reports due in 2020 with the Department of Revenue. No penalty shall be imposed by the department or the local taxing authority for failure to file timely and complete reports in 2019 or 2020.
 - Retroactive to January 1, 2019, money transferred under the act may be utilized for projects budgeted or appropriated by official resolution of the contracting authority.
 - Beginning March 6, 2020, money transferred under the act may be utilized for payment of grants and loans to qualifying businesses, political subdivisions, and municipal authorities operating within the zone negatively impacted by the Governor's proclamation of disaster emergency issued on March 6, 2020, and any renewal of the state of disaster emergency. This paragraph shall expire June 30, 2021.

Fiscal Code Changes

Act 114 of 2020 (HB 2536) – Act 114 makes the following changes to the Fiscal Code:

- **Keystone Opportunity Zone Extension:** Beginning November 23, 2020, a political subdivision may apply to the Department of Community and Economic Development for approval as a Keystone Opportunity Improvement Zone of a property previously designated by the Governor by executive order as a proposed improvement subzone in a township of the second class located in a county of the Second Class A. The application must be made no later than December 31, 2020.
- **Military Installation Remediation Program Information Access:** Beginning November 23, 2020, the qualified authority and each local taxing authority shall have access to a report and certification filed under chapter 3-A of the Transit Revitalization Investment District Act, as well as state or local tax information, filed on or after November 27, 2019, by a qualified business for a designated parcel to document the certification required under the act.

Local Option Small Games of Chance Act Changes

Act 118 of 2020 (HB 777) – Act 118 makes the following changes to the Local Option Small Games of Chance Act:

- **COVID-19 Declaration of Disaster Emergency SGOC Proceed Alternative Use:** Beginning November 25, 2020, club licensees may utilize all proceeds received from small games of chance for operating expenses beginning with the 2020 calendar year through a period of one year after the termination of either: (1) The proclamation of disaster emergency issued by the Governor on March 6, 2020; or (2) A declaration of disaster emergency related to COVID-19 that is issued after March 6, 2020.
 - The licensee must report amounts retained on its annual report to the Department of Revenue. Licensees can submit their reports electronically by accessing the [Small Games of Chance Electronic Reporting System](#).

Title 75 (Vehicles) Changes

Act 129 of 2020 (HB 2233) – Act 129 makes the following changes to Title 75:

- **Political Subdivision and Volunteer Service Use of Tax-Free Motor Fuels:** Effective November 25, 2020, Act 129 permits political subdivisions and volunteer emergency services to enter into written agreements for the commingling of tax-free motor fuels. A political subdivision may also transfer tax-free motor fuels to a volunteer emergency service.
- **Reporting of Public Safety Violations:** Department of Revenue tax agents may report public safety violations related to motor fuels to appropriate enforcement authorities for investigation.

Mobile Telecommunications Broadband Investment Tax Credit

Act 132 of 2020 (SB 835) – Act 132 establishes the Unserved High-Speed Broadband Funding Program Act and makes the following changes to the Mobile Telecommunications Broadband Investment Tax Credit (MTBI):

- **Prohibition on MTBI Tax Credit Awards:** After June 30, 2020, the Department of Revenue may not award a tax credit under the MTBI Tax Credit program. Further funding of the program is repealed.