

# PA H 1342 , Enacted

Pennsylvania

SUMMARY: Relates to inheritance tax; provides for transfers not subject to tax.~SAME AS:

Changes in Bill text reflected as:

~~Text Deleted~~

*Text Added*

~~Text Vetoed~~

Current Legislative Status

05/04/2021 FILED.

05/05/2021 INTRODUCED.

05/05/2021 To HOUSE Committee on FINANCE.

11/09/2021 From HOUSE Committee on FINANCE.

11/09/2021 In HOUSE. Read first time.

11/09/2021 In HOUSE. Laid on table.

11/16/2021 In HOUSE. Removed from table.

11/17/2021 In HOUSE. Read second time.

11/17/2021 Rereferred to HOUSE Committee on APPROPRIATIONS.

12/13/2021 From HOUSE Committee on APPROPRIATIONS.

12/13/2021 In HOUSE. Read third time. Passed HOUSE. \*\*\*\*\*To SENATE.

12/29/2021 To SENATE Committee on FINANCE.

06/22/2022 From SENATE Committee on FINANCE.

06/22/2022 In SENATE. Read first time.

06/28/2022 In SENATE. Read second time.

06/28/2022 Rereferred to SENATE Committee on APPROPRIATIONS.

07/07/2022 From SENATE Committee on APPROPRIATIONS. Reported as amended.

07/07/2022 In SENATE. Read third time. Passed SENATE. \*\*\*\*\*To HOUSE for concurrence.

07/07/2022 Rereferred to HOUSE Committee on RULES for concurrence.

07/07/2022 From HOUSE Committee on RULES.

07/07/2022 HOUSE concurred in SENATE amendments.

07/08/2022 \*\*\*\*\*To GOVERNOR.

07/08/2022 Signed by GOVERNOR.

07/08/2022 Act No. 53

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session: Pennsylvania 205th General Assembly - 2021-22 Regular Session

cite: 2021 PA H 1342

Enacted - Unofficial Pamphlet Law

July 8, 2022

Rader

Session of 2021

ACT No. 2022-53

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL No. 1342

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 sales and use tax, further providing for definitions, for exclusions from tax and for licenses; in personal income tax, further providing for classes of income and repealing provisions relating to COVID-19 emergency finance and tax provision; in corporate net income tax, further providing for definitions and for imposition of tax; in insurance premiums tax, further providing for imposition of tax and for credits for assessments paid; in vehicle rental tax, further providing for definitions and for vehicle rental tax; in research and development tax credit, further providing for limitation on credits; in entertainment production tax credit, further providing for definitions, for credit for qualified film production expenses, for limitations, for reissuance of film production tax credits and for limitations; in Waterfront Development Tax Credit, further providing for limitations; in City Revitalization and Improvement Zones, further providing for reports, for restrictions and for confidentiality; in Innovate in PA tax credit, further providing for duties; in Neighborhood Improvement Zones, further providing for confidentiality; in Keystone Opportunity Zones, Keystone Opportunity Expansion Zones and Keystone Opportunity Improvement Zones, further providing for extension for new job creation or new capital investment and for additional keystone opportunity expansion zones; providing for airport land development zones and for Pennsylvania child and dependent care enhancement program and for tax credit; in inheritance tax, further providing for transfers not subject to tax; in Public Transportation Assistance Fund, further providing for Public Transportation Assistance Fund; in table game taxes, providing for General Fund deposit; in Computer Data Center Equipment Incentive Program, further providing for definitions, for sales and use tax exemption, for eligibility requirements and for revocation of certification; in general provisions, providing for allocation of tax credits; making transfers; and making related repeals.

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

\*\*\*TEXT OMITTED, DOES NOT PERTAIN TO FILM\*\*\*

Section 8. The definition of “multifilm” in section 1711-D of the act, added June 30, 2021 (P.L.124, No.25), is amended and the section 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:

\* \* \*

~~“Multifilm.” A series of separate and distinct films produced by the same taxpayer over a period of no less than one year and no more than four years from the time of application.~~

*“Multifilm production.” A series of separate and distinct films that are produced by the same taxpayer, or directly or indirectly produced by the same taxpayers who have no less than 80% common ownership, over a period of no more than four years from the time of application.*

\* \* \*

*“Pennsylvania film producer.” A Pennsylvania domiciled film production company that meets the following:*

*(1) The principal tax jurisdiction is this Commonwealth.*

***(2) A majority of the taxpayer's owners are Pennsylvania residents.***

***(3) The taxpayer employs fewer than 15 full-time employees.***

\* \* \*

Section 9. Section 1712-D(b)(7.1) of the act, added June 30, 2021 (P.L.124, No.25), is amended and the subsection is amended by adding paragraphs to read:

Section 1712-D. Credit for qualified film production expenses.

\* \* \*

(b) Review and approval.--The department shall establish application periods not to exceed 90 days each. All applications received during the application period shall be reviewed and evaluated by the department based on the following criteria:

\* \* \*

***(5.1) For a Pennsylvania film producer, the portion of all preproduction expenses, production expenses and postproduction expenses incurred in Pennsylvania.***

\* \* \*

(7.1) If a multifilm ***production*** application is submitted, the department shall consider the ability of the taxpayer to produce multiple films within this Commonwealth during the proposed period of production and the potential economic impact, including tourism impact, of the multiple films to this Commonwealth. ***The taxpayer may supplement the multifilm production application with additional films during the period of production. The department may annually extend the multifilm production application's period of production before the expiration of the period of production. The taxpayer may not include a film in the multifilm production application that was the subject of an application submitted under this subsection before January 1, 2022.***

***(7.2) The film will be produced by a Pennsylvania film producer.***

\* \* \*

Section 10. Section 1716-D(a) introductory paragraph of the act is amended and the section is amended by adding subsections to read:

Section 1716-D. Limitations.

(a) Cap.--Except for tax credits reissued under section 1716.1-D, in no case shall the aggregate amount of tax credits awarded in any fiscal year under this subarticle exceed ~~-\$70,000,000~~ ***\$100,000,000*** . The department may, in its discretion, award in one fiscal year up to:

\* \* \*

***(e) Pennsylvania film producer reserve.--The department shall annually reserve and allocate \$5,000,000 of the tax credits authorized under this subarticle in support of projects produced by a Pennsylvania film producer. A Pennsylvania film producer shall not be limited in eligibility for a tax credit solely to the Pennsylvania film producer reserve in any fiscal year.***

***(f) If the total amount of tax credits reserved and allocated under subsection (e) is not awarded in a fiscal year, the amount not awarded shall be made available for use by taxpayers who are not Pennsylvania film producers.***

Section 11. Sections 1716.1-D(a)(4) and 1777-D(a)(1) of the act, amended or added June 30, 2021 (P.L.124, No.25), are amended to read:

Section 1716.1-D. Reissuance of film production tax credits.

(a) Reissuance.--In any fiscal year, the department may reissue a tax credit which meets all of the following:

\* \* \*

(4) If an individual film that was issued a tax credit as part of a multifilm ***production*** application is canceled, the department may reissue that tax credit only after allowing the

taxpayer *or the taxpayer's affiliate* 90 days to submit an application for an alternative individual film, produced by the taxpayer *or the taxpayer's affiliate* for that tax credit. The department may approve or reject the application.

\* \* \*

Section 1777-D. Limitations.

(a) Cap.--

(1) The aggregate amount of tax credits awarded in a fiscal year under this subarticle may not exceed ~~\$8,000,000~~ **\$24,000,000** .

**\*\*\*TEXT OMITTED, DOES NOT PERTAIN TO FILM\*\*\***

Section 26. This act shall take effect as follows:

(1) The following shall take effect January 1, 2023:

(i) The amendment or addition of section 201(b), (i), (k), (n), (o), (p), (nnn), (ooo), (ppp), (qqq), (rrr), (sss), (ttt) and (uuu) of the act.

(ii) The amendment of sections 208(a) and 2301(e.1) of the act.

(2) The addition of section 2111(u) of the act shall take effect in 60 days.

(3) The remainder of this act shall take effect immediately.