



Senate Finance Committee

Senator John H. Eichelberger, Jr.
Chairman



Room 169, Main Capitol Building, Senate Box 202030, Harrisburg, PA 17120-0030 • 717.787.5490 • Fax 717.783.5192

ANALYSIS

BILL NUMBER: Senate Bill 282, P.N. 160
SPONSOR: Vulakovich

SYNOPSIS:

Senate Bill 282 would establish a waterfront development tax credit.

SUMMARY/ANALYSIS:

The bill would amend the Tax Reform Code of 1971 to make tax credits available to individuals or businesses that contribute to nonprofit waterfront development organizations. A “waterfront development organization is defined as either an authority established under the Third Class City Port Authority Act, or a nonprofit entity which exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code, has been in existence for a minimum of five years, has a board of directors, has completed a waterfront development plan, and uses at least 95% of its annual contributions from eligible applicants for projects authorized under this legislation.

Eligible applicants are businesses or individuals who have contributed to a waterfront development organization and are subject any of the taxes imposed by Articles III, IV, VI, VII, VIII, IX or XV of the tax reform Code, as well as Article XVI of The Insurance Company Law of 1921. Tax credits are available on a first come, first served basis. The total aggregate amount of all tax credits under this article shall not exceed \$10,000,000 in any fiscal year. If a waterfront development organization fails to complete a waterfront development project, the waterfront development organization repay to any tax credits granted.

The Department of Community and Economic Development (DECED) must approve both the waterfront development organizations in accordance with the requirements above, as well as, each project on which the contributions are to be spent. Under the bill, DCED, in conjunction with the Department of Conservation and Natural Resources, shall review applications for proposed projects received from waterfront development organizations. An eligible project is one which creates public access to the water, increases property values, restores ecology and catalyzes further financial investment and job creation to incentivize future economic development. It must adhere to current environmental practices and consider and integrate approaches that support natural and native habitat.

EFFECTIVE DATE:

The Act would take effect in 60 days.

Derr 6/1/15