



Senate Finance Committee

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BILL SUMMARY

Legislation: House Bill 46, P.N. 31
Sponsor: Representative Godshall
Act Amended: Organ and Bone Marrow Donor Act
Topic: Tax credit for organ and bone marrow donation
Date: May 1, 2013

Summary:

House Bill 46 amends the Organ and Bone Marrow Donor Act to remove the sunset date of the act to permanently extend the tax credit benefits provided for in the Organ and Bone Marrow Donor Act.

This act shall take effect in 60 days and be retroactive to December 31, 2010.

Current Law:

The Organ and Bone Marrow Donor Act (Act of July 2, 2006, P.L. 292, No. 65) provided non-refundable tax credits to businesses that grant paid leaves of absence to employees for the purpose of bone marrow or organ donation. The credit had been available for businesses that granted a paid leave of absence not exceeding five working days per employee.

The credit was equal to:

- the amount of the employee's salary during the leave of absence;
- the cost of any temporary replacement help; and
- miscellaneous expenses incurred by the employer in connection with the leave of absence.

The tax could be applied against the corporate net income tax, capital stock and foreign franchise tax, bank and trust company shares tax, title insurance companies shares tax, insurance premiums tax, mutual thrift institutions tax and those taxes imposed on pass-through entities. The Department of Revenue administered the credit and was required to provide an annual report to the General Assembly on the use of the credit.

The Legislative Budget and Finance Committee's September 2010 report on tax credit programs found that only three companies have applied for tax credits, and all three were approved since the act was passed. The combined amount of tax credits approved for these companies totaled \$3,505. The study also found the tax credit was not well advertised, and could be a reason for its underutilization.