

## APPENDIX - TAX CODE SUMMARY

Tax Code Summary - Act 25/House Bill 952 (\$ in millions)					
Tax Topic	Bills	Description	Effective	2021/22	2022/23
Technical Fix	HB 273	Corrects a scrivener's error from Act 77 of 1986 to replace the word "devises" with "demises" related to the realty transfer tax.	Immediately	\$ -	\$ -
Helicopter simulators and software sales tax exemption		Sales tax exemption on software exclusively for use in helicopters and flight simulators, training materials and operational documents, as well as the lease of helicopters.	60 days	\$ (1.6)	\$ (2.2)
Multipurpose agricultural vehicle sales tax exemption	SB 325	Sales tax exemption on multipurpose agricultural vehicles used for broader farming purposes, such as trucks used for fence repairs or ATVs.	Jan. 1, 2022	\$ (0.4)	\$ (0.9)
Breast feeding supplies sales tax exemption		Sales tax exemption for items manufactured to support or sustain breast feeding.	Jan. 1, 2022	\$ (1.2)	\$ (2.9)
Crop insurance	HB 1006	Allows farmers the option to defer income proceeds from crop insurance by one year, in alignment with federal law.	Tax year 2021	\$ -	\$ -
Electronic payment threshold		Requires electronic payment of personal income tax for payments more than \$15,000 (excluding withholding payments). Penalty for non-compliance capped at \$500.	Jan. 1, 2022	\$ -	\$ -
Federal conformity of personal income tax forms	HB 1059 Partially	Conforms to federal filing requirements for small business non-employee compensation to align with changes in 2020 related to forms 1099-MISC and 1099-NEC.	Immediately	\$ -	\$ -
Manufacturing innovation and reinvestment deduction	SB 288 Partially	The deduction shall be applied to a taxpayer's taxable income to reduce the liability following the allocation and apportionment of income instead of calculating before the apportionment of income.	Tax year 2021	\$ (23.9)	\$ (50.4)



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Bank Shares tax - mergers		Technical clarification to define the apportionment timing of assets in a bank merger.	Immediately	\$ -	\$ -
Tax credit integrity	HB 1303	Improves reporting and auditing procedures for tax credits in response to a 2019 grand jury investigation into fraudulent use of tax credits.	30 days. Broker registration in 180 days	\$ -	\$ -
R&D tax credit		Moves application date from Sept. 15 to Dec. 1 and notification of approval from Dec. 15 to May 1 of the following year, as well as timing changes related to the carryover and reporting.	Immediately	\$ -	\$ -
Multifilm production tax credit		Gives special consideration for a series of films produced over one to four years. This is part of the current film tax credit and does not increase the overall program cap.	July 1, 2021 or immediately, whichever is later	\$ -	\$ -
Concert tour tax credit		In response to COVID-19 shutdowns of concerts, these changes allow for unused tax credits to be utilized in the future and allows for broader use by qualified rehearsal facilities, for streaming performances, broadcasting companies and personal protective equipment.	Immediately	\$ -	\$ -
Local Resource Manufacturing Tax Credit		Within the program cap, no more than two taxpayers shall receive a credit up to \$6.67 million. The remainder of the \$26.67 million program cap shall go to no more than one taxpayer that makes a capital investment of at least \$1.0 billion and 1,800 new and permanent jobs.	Immediately	\$ -	\$ -
KOEZ extension		5 year extension for a KOEZ in Westmoreland County.	Immediately	\$ -	\$ (4.0)



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KOEZ application		Changes the application date from Oct. 1, 2021 to Oct. 1, 2022 and requires the DCED to act on the application by Dec. 31, 2022.	Immediately	\$ -	\$ -
Mixed-use development tax credits		Increases the cap of the program from \$3 million to \$4.5 million.	Fiscal year 2021/22	\$ (1.1)	\$ (1.4)
KIZ		Application timing changes.	Immediately		
Housing tax credit		Allows for a total of \$10.0 million in credits per year (no more than \$1.5 million per taxpayer) for qualified low-income housing projects.	Immediately	\$ (10.0)	\$ (10.0)
Table games tax		Repeals the expiration of the additional two percent table games tax that was set to expire Aug. 1, 2021. This makes the additional two percent tax permanent.	Immediately	\$ 18.3	\$ 20.2
Computer Data Centers	HB 952	Establishes a sales tax exemption for computer data center equipment purchases. Repeals the current refund program, which is capped at \$7.0 million (as of Dec. 31, 2021).	Exemptions begin Jan. 1, 2022	\$ (14.0)	\$ (41.3)
Bad check fees		Reduces the maximum fee for bad checks for tax payments to \$100 instead of \$1,000. The minimum fee remains \$25.	120 days	\$ -	\$ -
<b>Total</b>				<b>\$ (33.9)</b>	<b>\$ (92.9)</b>

