

# FISCAL NOTE

August 23, 2017

<b>Bill No:</b>	SB 469	<b>Printer's No:</b>	PN 0462	<b>Sponsor:</b>	Blake
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### COST / (SAVINGS)

<b>Fund (s)</b>	<b>2017-18</b>	<b>2018-19</b>
General Fund	"See Fiscal Impact"	"See Fiscal Impact"

**SUMMARY:** This legislation amends the Tax Reform Code (Act No. 2 of 1971) to establish a Nonprofit Animal Shelter Tax Credit.

**ANALYSIS:** This legislation establishes a Nonprofit Animal Shelter Tax Credit and imposes the duties on the Department of Revenue (DOR).

This legislation allows a business firm to claim a tax credit against the qualified tax liability of the business firm for contributions to a nonprofit animal shelter. Under this legislation, a business firm may apply for a tax credit through the DOR. Upon review, the DOR shall approve the application if it is determined that the contribution has been made to a nonprofit animal shelter.

If a business firm cannot use the entire amount of the tax credit for the taxable year in which the tax credit has been approved, the excess may be carried over to a succeeding taxable year. If carried over, the tax credit shall be reduced by the amount that was used as a credit during the immediately preceding taxable year. A tax credit may be carried over no more than three taxable years following the first taxable year for which the taxpayer claimed the credit.

A tax credit approved by the DOR in a taxable year first shall be applied against the taxpayer's qualified tax liability for the current taxable year. A business firm shall not carry back or refund any portion of an unused tax credit.

Under this legislation, the aggregate amount of tax credits awarded in a fiscal year may not exceed \$2,000,000 and a tax credit may not exceed \$100,000 for a business firm. A tax credit may not be approved for activities that are part of a firm's normal course of business. Tax credits will be made available on a first-come, first-served basis by the DOR. A business firm that claims a tax credit that does not equal the firm's contribution to a nonprofit animal shelter shall repay the commonwealth the amount of the tax credit.

This act shall take effect in 60 days.

**FISCAL IMPACT:** The total aggregate amount of tax credits available in a fiscal year is \$2,000,000.