

# PA H 542, Enacted

Pennsylvania

SUMMARY: Amends the Tax Reform Code; repeals certain provisions relating to tax reform ad state taxation; revises provisions relating to the imposition of and exclusions from tax; provides for marketplace providers and marketplace sellers; provides for a remote sales report; provides for a lodging tax; relates to personal income tax, corporate net income tax, entertainment production tax, and inheritance tax.

Changes in Bill text reflected as:

~~Text Deleted~~

*Text Added*

~~Text Vetoed~~

Current Legislative Status 02/15/2017  
FILED.

02/17/2017 INTRODUCED.

02/17/2017 To HOUSE Committee on FINANCE.

04/25/2017 From HOUSE Committee on FINANCE. Reported as amended.

04/25/2017 In HOUSE. Read first time.

04/25/2017 In HOUSE. Laid on table.

04/26/2017 In HOUSE. Removed from table.

05/08/2017 In HOUSE. Read second time.

05/08/2017 Rereferred to HOUSE Committee on APPROPRIATIONS.

05/09/2017 From HOUSE Committee on APPROPRIATIONS.

05/09/2017 In HOUSE. Read third time. Passed HOUSE. \*\*\*\*\*To SENATE.

05/15/2017 To SENATE Committee on FINANCE.

06/26/2017 From SENATE Committee on FINANCE.

06/26/2017 In SENATE. Read first time.

06/27/2017 In SENATE. Read second time.

06/27/2017 Rereferred to SENATE Committee on APPROPRIATIONS.

07/26/2017 From SENATE Committee on APPROPRIATIONS. Reported as amended.

07/27/2017 In SENATE. Read third time. Passed SENATE. \*\*\*\*\*To HOUSE for concurrence.

09/08/2017 Rereferred to HOUSE Committee on RULES for concurrence.

10/03/2017 From HOUSE Committee on RULES. Reported as amended.

10/17/2017 Rereferred to HOUSE Committee on RULES for concurrence.

10/17/2017 From HOUSE Committee on RULES. Reported as amended.

10/17/2017 HOUSE concurred in SENATE amendments with further amendments. \*\*\*\*\*To SENATE for concurrence.

10/18/2017 To SENATE Committee on RULES AND EXECUTIVE NOMINATIONS for concurrence.

10/25/2017 From SENATE Committee on RULES AND EXECUTIVE NOMINATIONS.

10/25/2017 SENATE concurred in HOUSE amendments.

10/26/2017 \*\*\*\*\*To GOVERNOR.

10/30/2017 Signed by GOVERNOR.

10/30/2017 Act No. 43

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session: Pennsylvania 201st General Assembly - 2017 - 18 Regular Session

cite: 2017 PA H 542 Enacted

October 30, 2017

Thomas

PRIOR PRINTER'S NOS. 568, 1563, 2259, 2536

PRINTER'S NO. 2598

SESSION OF 2017

Act No. 2017-43

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL NO. 542

INTRODUCED BY THOMAS, D. COSTA, MICCARELLI AND DAVIS, February 17, 2017

AMENDMENTS TO SENATE AMENDMENTS TO HOUSE AMENDMENTS, House of

Representatives, October 17, 2017

AN ACT

\*\*\*\*\* SECTION OMMITTED, DOES NOT PERTAIN TO FILM \*\*\*\*\*

**PROVIDING FOR TAX CREDIT ELIGIBILITY;**

*IN ENTERTAINMENT PRODUCTION TAX CREDIT, FURTHER PROVIDING FOR DEFINITIONS AND FOR CREDIT FOR QUALIFIED FILM PRODUCTION EXPENSES, PROVIDING FOR FILM PRODUCTION TAX CREDIT DISTRICTS AND ESTABLISHING THE ENTERTAINMENT ECONOMIC ENHANCEMENT PROGRAM;*

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

*SECTION 31. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:*

*ARTICLE XVII-A.1*

*TAX CREDIT ELIGIBILITY*

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

*SECTION 32. SECTION 1711-D OF THE ACT 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:*

*“DETERIORATED PROPERTY.” ANY BLIGHTED, IMPOVERISHED AREA CONTAINING INDUSTRIAL,*

*COMMERCIAL OR OTHER REAL PROPERTY THAT IS ABANDONED, UNSAFE, VACANT,*

*UNDERVALUED, UNDERUTILIZED, OVERGROWN, DEFECTIVE, CONDEMNED, DEMOLISHED OR WHICH CONTAINS ECONOMICALLY UNDESIRABLE LAND USE.*

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*“FILM PRODUCTION TAX CREDIT DISTRICT.” A DISTRICT AUTHORIZED UNDER SECTION 1716.2-D.*

*\* \* \**

*SECTION 33. SECTION 1712-D OF THE ACT IS AMENDED BY ADDING A SUBSECTION TO READ:*

*SECTION 1712-D. CREDIT FOR QUALIFIED FILM PRODUCTION EXPENSES.*

*\* \* \**

*(B.1) REVIEW AND APPROVAL OF APPLICATIONS FOR FILM PRODUCTION TAX CREDIT DISTRICT*

ACTIVITY.--FOR APPLICATIONS INVOLVING FILM PRODUCTION EXPENSES INCURRED WITHIN A DESIGNATED FILM PRODUCTION TAX CREDIT DISTRICT AUTHORIZED UNDER SECTION 1716.2-

D, THE DEPARTMENT SHALL ACCEPT APPLICATIONS AT ANY TIME. APPLICATIONS SHALL BE REVIEWED BY THE DEPARTMENT UTILIZING THE CRITERIA REQUIRED UNDER SUBSECTION (B).

UPON DETERMINING THE TAXPAYER HAS INCURRED OR WILL INCUR QUALIFIED FILM PRODUCTION

EXPENSES, THE DEPARTMENT SHALL APPROVE THE TAXPAYER FOR A TAX CREDIT UTILIZING THE TAX CREDITS AUTHORIZED UNDER SECTION 1716.2-D, NOT TO EXCEED THE AMOUNT AUTHORIZED FOR THE FISCAL YEAR.

\* \* \*

SECTION 34. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

SECTION 1716.2-D. FILM PRODUCTION TAX CREDIT DISTRICTS.

(A) ESTABLISHMENT.--THE DEPARTMENT MAY DESIGNATE NOT MORE THAN TWO FILM

PRODUCTION TAX CREDIT DISTRICTS FOR THE PURPOSE OF ENHANCING, PROMOTING AND EXPANDING FILM PRODUCTION OPPORTUNITIES AND ESTABLISHING A FILM PRODUCTION INDUSTRY WITHIN THIS COMMONWEALTH.

(B) CRITERIA.--A FILM PRODUCTION TAX CREDIT DISTRICT SHALL:

(1) BE AT LEAST 55 ACRES IN SIZE.

(2) BE LOCATED ON DETERIORATED PROPERTY.

(3) BE COMPRISED OF A PARCEL THAT IS OR WILL BE OCCUPIED BY TWO OR MORE QUALIFIED BUSINESSES THAT:

(I) IN THE AGGREGATE, MAKE A CAPITAL INVESTMENT OF AT LEAST \$400,000,000 WITHIN THE DISTRICT WITHIN FIVE YEARS AFTER THE EFFECTIVE DATE OF THE DESIGNATION OF THE DISTRICT; AND

(II) ARE DEDICATED TO FILM PRODUCTION ACTIVITY, POSTPRODUCTION ACTIVITY OR OTHER ACTIVITIES THAT DIRECTLY OR INDIRECTLY SUPPORT FILM PRODUCTION ACTIVITY OCCURRING WITHIN THE DISTRICT OR WITHIN THIS COMMONWEALTH.

(4) CONTAIN AT LEAST ONE QUALIFIED PRODUCTION FACILITY AND SIX SOUND STAGES.

(C) APPLICATION.--THE FOLLOWING APPLY:

(1) AN APPLICATION TO DESIGNATE A FILM PRODUCTION TAX CREDIT DISTRICT MAY BE MADE BY

THE COUNTY OR MUNICIPALITY IN WHICH ALL OR PART OF THE DISTRICT WILL BE LOCATED. THE

DEPARTMENT SHALL REVIEW THE APPLICATION AND, IF APPROVED, ISSUE A DESIGNATION FOR THE FILM PRODUCTION TAX CREDIT DISTRICT. THE APPLICATION PERIOD SHALL BE SET BY THE DEPARTMENT.

(2) THE APPLICATION SHALL CONTAIN THE FOLLOWING INFORMATION:

- (I) THE GEOGRAPHIC AREA OF THE PROPOSED FILM PRODUCTION TAX CREDIT DISTRICT.
- (II) A DETAILED MAP OF THE PROPOSED DISTRICT, INCLUDING GEOGRAPHIC BOUNDARIES, TOTAL AREA AND PRESENT USE AND CONDITIONS OF THE LAND AND STRUCTURES.
- (III) A DESCRIPTION OF THE CURRENT SOCIAL, ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

OF THE PROPOSED DISTRICT AND ANTICIPATED IMPROVEMENTS IN EDUCATION, HEALTH, HUMAN SERVICES, PUBLIC SAFETY AND EMPLOYMENT THAT WILL RESULT FROM DESIGNATION OF THE DISTRICT.

(IV) A DESCRIPTION OF ANTICIPATED FILM PRODUCTION ACTIVITY AND ANCILLARY ACTIVITIES IN THE PROPOSED DISTRICT.

(V) EVIDENCE OF POTENTIAL PRIVATE AND PUBLIC INVESTMENT IN THE PROPOSED DISTRICT.

(VI) THE ROLE OF THE PROPOSED DISTRICT IN REGIONAL ECONOMIC AND COMMUNITY DEVELOPMENT.

(D) DESIGNATION PERIOD.--A DISTRICT DESIGNATED UNDER SUBSECTION (C) SHALL EXPIRE 15 YEARS AFTER THE EFFECTIVE DATE OF THE DESIGNATION.

(E) CONSTRUCTION.--THE TAX CREDITS AUTHORIZED UNDER THIS SECTION ARE IN ADDITION TO THE TAX CREDITS UNDER SECTION 1716-D(A) AND ARE AVAILABLE EXCLUSIVELY FOR ACTIVITIES OCCURRING WITHIN THE DESIGNATED DISTRICT.

(F) ANNUAL TAX CREDITS.--THE DEPARTMENT MAY AUTHORIZE A TAX CREDIT FOR A FILM PRODUCTION TAX CREDIT DISTRICT IN FISCAL YEAR 2019-2020 AND IN EACH FISCAL YEAR THEREAFTER.

SECTION 35. ARTICLE XVII-D OF THE ACT IS AMENDED BY ADDING A SUBARTICLE TO READ:

SUBARTICLE E

ENTERTAINMENT ECONOMIC ENHANCEMENT PROGRAM

SECTION 1771-D. SCOPE OF SUBARTICLE.

THIS SUBARTICLE RELATES TO THE ENTERTAINMENT ECONOMIC ENHANCEMENT PROGRAM.

SECTION 1772-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:

“CLASS 1 VENUE.” A STADIUM, ARENA, OTHER STRUCTURE OR PROPERTY OWNED BY A

**MUNICIPALITY OR AN AUTHORITY FORMED UNDER ARTICLE XXV-A OF THE ACT OF JULY 28, 1953 (P.L. 723, NO.230), KNOWN AS THE SECOND CLASS COUNTY CODE, AT WHICH CONCERTS ARE PERFORMED AND WHICH IS ALL OF THE FOLLOWING:**

**(1) LOCATED IN A CITY OF THE FIRST CLASS OR A COUNTY OF THE SECOND CLASS.**

**(2) CONSTRUCTED IN A MANNER IN WHICH THE VENUE HAS A SEATING CAPACITY OF AT LEAST 14,000.**

**“CLASS 2 VENUE.” A STADIUM, ARENA OR OTHER STRUCTURE AT WHICH CONCERTS ARE PERFORMED AND WHICH IS ALL OF THE FOLLOWING:**

**(1) LOCATED OUTSIDE THE GEOGRAPHIC BOUNDARIES OF A CITY OF THE FIRST CLASS OR A COUNTY OF THE SECOND CLASS.**

**(2) CONSTRUCTED IN A MANNER IN WHICH THE VENUE HAS A SEATING CAPACITY OF AT LEAST**

**6,000.**

**“CLASS 3 VENUE.” A STADIUM, ARENA OR OTHER STRUCTURE WHICH IS ANY OF THE FOLLOWING:**

**(1) LOCATED WITHIN A NEIGHBORHOOD IMPROVEMENT ZONE, AS DEFINED IN SECTION 1902-B.**

**(2) OWNED BY OR AFFILIATED WITH A STATE-RELATED INSTITUTION AS DEFINED IN 62 PA.C.S. Section 103 (RELATING TO DEFINITIONS).**

**(3) OWNED BY THE COMMONWEALTH AND AFFILIATED WITH THE STATE SYSTEM OF HIGHER EDUCATION.**

**“CONCERT.” A LIVE PERFORMANCE OF MUSIC IN THE PRESENCE OF INDIVIDUALS WHO VIEW THE PERFORMANCE.**

**“CONCERT TOUR EQUIPMENT.” INCLUDES STAGE, SET, SCENERY, DESIGN ELEMENTS, AUTOMATION, RIGGING, TRUSSES, SPOTLIGHTS, LIGHTING, SOUND EQUIPMENT, VIDEO EQUIPMENT,**

**SPECIAL EFFECTS, CASES, COMMUNICATION DEVICES, POWER DISTRIBUTION EQUIPMENT, BACKLINE AND OTHER MISCELLANEOUS EQUIPMENT OR SUPPLIES USED DURING A CONCERT OR REHEARSAL.**

**“DEPARTMENT.” THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH.**

**“MAINTAINED A PLACE OF BUSINESS” OR “MAINTAINING A PLACE OF BUSINESS.” ALL OF THE FOLLOWING:**

**(1) HAVING, MAINTAINING OR USING WITHIN THIS COMMONWEALTH AN OFFICE, WAREHOUSE OR OTHER PLACE OF BUSINESS.**

**(2) REGULARLY ENGAGING IN AN ACTIVITY AS A BUSINESS WITHIN THIS COMMONWEALTH IN CONNECTION WITH THE LEASE, SALE OR DELIVERY OF TANGIBLE**

**PERSONAL PROPERTY OR THE PERFORMANCE OF A SERVICE FOR RESIDENTS OF THIS COMMONWEALTH.**

**“MINIMUM REHEARSAL AND TOUR REQUIREMENTS.” DURING A TOUR, ALL OF THE FOLLOWING MUST OCCUR:**

- (1) THE PURCHASE OR RENTAL OF CONCERT TOUR EQUIPMENT DELIVERED TO A LOCATION IN THIS COMMONWEALTH, IN AN AMOUNT OF AT LEAST \$3,000,000, FROM COMPANIES LOCATED AND MAINTAINING A PLACE OF BUSINESS IN THIS COMMONWEALTH FOR USE ON THE TOUR.**
- (2) A REHEARSAL AT A QUALIFIED REHEARSAL FACILITY FOR A MINIMUM OF 10 DAYS.**
- (3) AT LEAST ONE CONCERT PERFORMED AT A CLASS 1 VENUE.**
- (4) AT LEAST ONE CONCERT PERFORMED AT A VENUE WHICH IS LOCATED IN A MUNICIPALITY OTHER THAN THE MUNICIPALITY IN WHICH THE CLASS 1 VENUE UNDER PARAGRAPH (3) IS LOCATED.**

**“PASS-THROUGH ENTITY.” ANY OF THE FOLLOWING:**

- (1) A PARTNERSHIP AS DEFINED IN SECTION 301(N.0).**
- (2) A PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION 301(N.1).**
- (3) AN UNINCORPORATED ENTITY SUBJECT TO SECTION 307.21.**

**“PENNSYLVANIA REHEARSAL AND TOUR EXPENSES.” THE SUM OF PENNSYLVANIA REHEARSAL EXPENSES AND TOUR EXPENSES. THE TERM INCLUDES PENNSYLVANIA REHEARSAL EXPENSES AND TOUR EXPENSES PAID PRIOR TO OR DURING A REHEARSAL OR TOUR.**

**“PENNSYLVANIA REHEARSAL EXPENSE.” A REHEARSAL EXPENSE WHICH IS INCURRED OR WILL BE INCURRED WITHIN THIS COMMONWEALTH. THE TERM INCLUDES:**

- (1) A PAYMENT WHICH IS MADE OR WILL BE MADE BY A RECIPIENT TO A PERSON UPON WHICH**

**WITHHOLDING WILL BE MADE ON THE PAYMENT BY THE RECIPIENT AS REQUIRED UNDER PART VII OF ARTICLE III OR A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PERSON WHO IS REQUIRED TO MAKE ESTIMATED PAYMENTS UNDER PART VIII OF ARTICLE III.**

- (2) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL TALENT IF THE TAX IMPOSED BY ARTICLE IV WILL BE PAID OR ACCRUED ON THE NET INCOME OF THE CORPORATION FOR THE TAXABLE YEAR.**
- (3) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PASS- THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT FOR WHICH WITHHOLDING WILL BE MADE BY THE PASS-THROUGH ENTITY ON THE PAYMENT AS REQUIRED UNDER PART VII OR VII-A OF ARTICLE III.**

**“QUALIFIED REHEARSAL AND TOUR EXPENSE.” ALL PENNSYLVANIA REHEARSAL AND TOUR EXPENSES IF PENNSYLVANIA REHEARSAL EXPENSES COMPRISE OR WILL COMPRISE AT LEAST**

60% OF THE TOTAL REHEARSAL EXPENSES. THE TERM SHALL NOT INCLUDE MORE THAN \$2,000,000

IN THE AGGREGATE OF COMPENSATION PAID OR TO BE PAID TO INDIVIDUALS OR PAYMENT MADE OR TO BE MADE TO ENTITIES REPRESENTING AN INDIVIDUAL FOR SERVICES PROVIDED IN THE TOUR.

“QUALIFIED REHEARSAL FACILITY.” A REHEARSAL FACILITY WHICH MEETS AT LEAST SIX OF THE FOLLOWING CRITERIA:

- (1) HAS HAD A MINIMUM OF \$8,000,000 INVESTED IN THE REHEARSAL FACILITY IN LAND OR STRUCTURE, OR A COMBINATION OF LAND AND STRUCTURE.
- (2) HAS A PERMANENT GRID SYSTEM WITH A CAPACITY OF 1,000,000 POUNDS.
- (3) HAS A BUILT-IN POWER SUPPLY SYSTEM AVAILABLE AT A MINIMUM OF 3,200 AMPS WITHOUT THE NEED FOR SUPPLEMENTAL GENERATORS.
- (4) HAS A HEIGHT FROM FLOOR TO PERMANENT GRID OF A MINIMUM OF 80 FEET.
- (5) HAS AT LEAST TWO SLIDING OR ROLL-UP ACCESS DOORS WITH A MINIMUM HEIGHT OF 14 FEET.
- (6) HAS A PERIMETER SECURITY SYSTEM WHICH INCLUDES 24- HOUR, SEVEN-DAYS-A-WEEK SECURITY CAMERAS AND THE USE OF ACCESS CONTROL IDENTIFICATION BADGES.
- (7) HAS A SERVICE AREA WITH PRODUCTION OFFICES, CATERING AND DRESSING ROOMS WITH A MINIMUM OF 5,000 SQUARE FEET.
- (8) IS LOCATED WITHIN ONE MILE OF A MINIMUM OF TWO COMPANIES WHICH PROVIDE CONCERT TOUR EQUIPMENT FOR USE ON A TOUR.

“QUALIFIED TAX LIABILITY.” THE LIABILITY FOR TAXES IMPOSED UNDER ARTICLE III, IV, VI, VII OR IX. THE TERM DOES NOT INCLUDE TAX WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER

### ARTICLE III.

“RECIPIENT.” A TAXPAYER THAT HAS BEEN AWARDED A TAX CREDIT UNDER SECTION 1773-D(E).

“REHEARSAL.” AN EVENT OR SERIES OF EVENTS WHICH OCCUR IN PREPARATION FOR A TOUR PRIOR TO THE START OF THE TOUR OR DURING A TOUR WHEN ADDITIONAL PREPARATION MAY BE NEEDED.

“REHEARSAL EXPENSE.” ALL OF THE FOLLOWING WHEN INCURRED OR WILL BE INCURRED DURING A REHEARSAL:

- (1) COMPENSATION PAID OR TO BE PAID TO AN INDIVIDUAL EMPLOYED IN THE REHEARSAL OF THE PERFORMANCE.
- (2) PAYMENT TO A PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL TALENT.
- (3) PAYMENT TO A PASS-THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT.



- (4) THE COSTS OF CONSTRUCTION, OPERATIONS, EDITING, PHOTOGRAPHY, STAGING, LIGHTING, WARDROBE AND ACCESSORIES.
- (5) THE COST OF LEASING VEHICLES.
- (6) THE COST OF TRANSPORTATION OF PEOPLE OR CONCERT TOUR EQUIPMENT TO OR FROM A TRAIN STATION, BUS DEPOT, AIRPORT OR OTHER TRANSPORTATION FACILITY OR DIRECTLY FROM A RESIDENCE OR BUSINESS ENTITY.
- (7) THE COST OF INSURANCE COVERAGE.
- (8) THE COST OF FOOD AND LODGING.
- (9) THE COST OF PURCHASE OR RENTAL OF CONCERT TOUR EQUIPMENT.
- (10) THE COST OF RENTING A REHEARSAL FACILITY.
- (11) THE COST OF EMERGENCY OR MEDICAL SUPPORT SERVICES REQUIRED TO CONDUCT A REHEARSAL.

“REHEARSAL FACILITY.” AS FOLLOWS:

(1) A FACILITY PRIMARILY USED FOR REHEARSALS WHICH IS ALL OF THE FOLLOWING:

(I) LOCATED WITHIN THIS COMMONWEALTH.

(II) HAS A MINIMUM OF 25,000 SQUARE FEET OF COLUMN- FREE, UNOBSTRUCTED FLOOR SPACE.

(2) THE TERM DOES NOT INCLUDE A FACILITY AT WHICH CONCERTS ARE CAPABLE OF BEING HELD.

“START DATE.” THE DATE THE FIRST SET OF CONCERT TOUR EQUIPMENT ARRIVES OR IS EXPECTED TO ARRIVE AT A QUALIFIED REHEARSAL FACILITY.

“TAX CREDIT.” THE CONCERT REHEARSAL AND TOUR TAX CREDIT AS PROVIDED UNDER THIS SUBARTICLE.

“TAXPAYER.” A CONCERT TOUR PROMOTION COMPANY, CONCERT TOUR MANAGEMENT COMPANY OR OTHER CONCERT MANAGEMENT COMPANY SUBJECT TO TAX UNDER ARTICLE III,

IV OR VI. THE TERM DOES NOT INCLUDE CONTRACTORS OR SUBCONTRACTORS OF A CONCERT TOUR PROMOTION COMPANY, CONCERT TOUR MANAGEMENT COMPANY OR OTHER CONCERT MANAGEMENT COMPANY.

“TOUR.” A SERIES OF CONCERTS PERFORMED OR TO BE PERFORMED BY A MUSICAL PERFORMER IN MORE THAN ONE LOCATION. THE TERM INCLUDES AT LEAST ONE REHEARSAL.

“TOUR EXPENSE.” AS FOLLOWS:

(1) COSTS INCURRED OR WHICH WILL BE INCURRED DURING A TOUR FOR VENUES LOCATED IN THIS COMMONWEALTH. THE TERM INCLUDES ALL OF THE FOLLOWING:

**(I) A PAYMENT WHICH IS MADE OR WILL BE MADE BY A RECIPIENT TO A PERSON UPON WHICH**

**WITHHOLDING WILL BE MADE ON THE PAYMENT BY THE RECIPIENT AS REQUIRED UNDER PART VII OF ARTICLE III OR A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PERSON WHO IS REQUIRED TO MAKE ESTIMATED PAYMENTS UNDER PART VIII OF ARTICLE III.**

**(II) THE COST OF TRANSPORTATION OF PEOPLE OR CONCERT TOURING EQUIPMENT WHICH IS INCURRED OR WILL BE INCURRED WHILE TRANSPORTING TO OR FROM A TRAIN STATION, BUS**

**DEPOT, AIRPORT OR OTHER TRANSPORTATION FACILITY OR WHILE TRANSPORTING DIRECTLY**

**FROM A RESIDENCE OR BUSINESS ENTITY LOCATED IN THIS COMMONWEALTH, OR WHICH IS INCURRED OR WILL BE INCURRED FOR TRANSPORTATION PROVIDED BY A COMPANY WHICH IS SUBJECT TO THE TAX IMPOSED UNDER ARTICLE III OR IV.**

**(III) THE COST OF LEASING VEHICLES UPON WHICH THE TAX IMPOSED BY ARTICLE II WILL BE PAID OR ACCRUED.**

**(IV) THE COST OF INSURANCE COVERAGE WHICH IS PURCHASED OR WILL BE PURCHASED THROUGH AN INSURANCE AGENT BASED IN THIS COMMONWEALTH.**

**(V) THE COST OF PURCHASING OR RENTING FACILITIES AND EQUIPMENT FROM OR THROUGH**

**A RESIDENT OF THIS COMMONWEALTH OR AN ENTITY SUBJECT TO TAXATION IN THIS COMMONWEALTH.**

**(VI) THE COST OF FOOD AND LODGING WHICH IS INCURRED OR WILL BE INCURRED FROM A FACILITY LOCATED IN THIS COMMONWEALTH.**

**(VII) EXPENSES WHICH ARE INCURRED OR WILL BE INCURRED IN MARKETING OR ADVERTISING AT OR AT VENUES LOCATED WITHIN THIS COMMONWEALTH.**

**(VIII) THE COST OF MERCHANDISE WHICH IS PURCHASED OR WILL BE PURCHASED FROM A COMPANY LOCATED WITHIN THIS COMMONWEALTH AND USED ON THE TOUR.**

**(IX) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL TALENT IF THE TAX IMPOSED BY ARTICLE IV WILL BE PAID OR ACCRUED ON THE NET INCOME OF THE CORPORATION FOR THE TAXABLE YEAR.**

**(X) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PASS-THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT FOR WHICH WITHHOLDING WILL BE MADE BY THE PASS-THROUGH ENTITY ON THE PAYMENT AS REQUIRED UNDER PART VII OR VII-A OF ARTICLE III.**

**(2) THE TERM DOES NOT INCLUDE DEVELOPMENT COST, INCLUDING THE WRITING OF MUSIC OR LYRICS.**

**"VENUE." A CLASS 1, CLASS 2 OR CLASS 3 VENUE.**

**SECTION 1773-D. PROCEDURE.**

**(A) APPLICATION.--A TAXPAYER MAY APPLY TO THE DEPARTMENT FOR A TAX CREDIT UNDER THIS SECTION. THE APPLICATION SHALL BE ON THE FORM REQUIRED BY THE DEPARTMENT.**

**(B) REVIEW AND APPROVAL.--**

**(1) THE DEPARTMENT SHALL ESTABLISH APPLICATION PERIODS NOT TO EXCEED 30 DAYS. ALL APPLICATIONS RECEIVED DURING AN APPLICATION PERIOD SHALL BE REVIEWED AND EVALUATED BY THE DEPARTMENT BASED ON THE FOLLOWING CRITERIA:**

- (I) THE ANTICIPATED NUMBER OF REHEARSAL DAYS IN A QUALIFIED REHEARSAL FACILITY.**
- (II) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 1 VENUES.**
- (III) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 2 VENUES. (IV) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 3 VENUES.**
- (V) THE ANTICIPATED AMOUNT OF PENNSYLVANIA REHEARSAL EXPENSES IN COMPARISON TO THE ANTICIPATED AGGREGATE AMOUNT OF REHEARSAL EXPENSES.**
- (VI) THE ANTICIPATED AMOUNT OF THE TOUR EXPENSES.**
- (VII) THE ANTICIPATED AMOUNT OF THE CONCERT TOUR EQUIPMENT EXPENSES WHICH ARE OR WILL BE PURCHASED OR RENTED FROM A COMPANY LOCATED AND MAINTAINING A PLACE OF BUSINESS IN THIS COMMONWEALTH AND WHICH WILL BE USED ON THE TOUR.**
- (VIII) THE ANTICIPATED NUMBER OF DAYS SPENT IN COMMONWEALTH HOTELS.**
- (IX) OTHER CRITERIA THAT THE DEPARTMENT DEEMS APPROPRIATE TO ENSURE MAXIMUM EMPLOYMENT OPPORTUNITIES AND ENTERTAINMENT BENEFITS FOR THE RESIDENTS OF THIS COMMONWEALTH.**

**(2) EXCEPT AS PROVIDED IN SUBSECTION (C) AND UPON DETERMINING THAT THE TAXPAYER HAS PAID THE APPLICABLE APPLICATION FEE NOT TO EXCEED \$300, HAS MET OR WILL MEET THE**

**MINIMUM REHEARSAL AND TOUR REQUIREMENTS AND HAS INCURRED OR WILL INCUR QUALIFIED**

**REHEARSAL AND TOUR EXPENSES, THE DEPARTMENT MAY APPROVE THE TAXPAYER FOR A TAX**

**CREDIT. APPLICATIONS NOT APPROVED MAY BE REVIEWED AND CONSIDERED IN SUBSEQUENT APPLICATION PERIODS. THE DEPARTMENT MAY APPROVE A TAXPAYER FOR A TAX CREDIT BASED ON ITS EVALUATION OF THE CRITERIA UNDER THIS SUBSECTION.**

**(C) RESTRICTION.--THE DEPARTMENT MAY ONLY CONSIDER REHEARSALS HELD OR TO BE HELD,**

**AND QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED, AFTER JANUARY 1, 2017, IN DETERMINING WHETHER A TAXPAYER HAS MET OR WILL MEET THE MINIMUM REHEARSAL AND TOUR REQUIREMENTS.**

**(D) CONTRACT.--IF THE DEPARTMENT APPROVES THE TAXPAYER 'S APPLICATION UNDERSUBSECTION (B), THE DEPARTMENT AND THE TAXPAYERSHALL ENTER INTO A CONTRACT CONTAINING THE FOLLOWING:**

- (1) AN ITEMIZED LIST OF REHEARSAL EXPENSES INCURRED OR TO BE INCURRED FOR THE TOUR.**
- (2) AN ITEMIZED LIST OF PENNSYLVANIA REHEARSAL EXPENSES INCURRED OR TO BE INCURREDFOR THE TOUR.**
- (3) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO INCUR THE PENNSYLVANIA REHEARSAL EXPENSES AS ITEMIZED.**
- (4) AN ITEMIZED LIST OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED FOR THE TOUR.**
- (5) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO INCUR THE QUALIFIED REHEARSAL AND TOUR EXPENSES AS ITEMIZED.**
- (6) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO HOLD AT LEAST ONE CONCERT AT A CLASS 1 VENUE.**
- (7) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO HOLD AT LEAST ONE CONCERT AT A VENUE LOCATED IN A MUNICIPALITY OTHER THAN THE MUNICIPALITY IN WHICH THE CLASS 1 VENUE UNDER PARAGRAPH (6) IS LOCATED.**
- (8) THE START DATE OR THE EXPECTED START DATE.**
- (9) ANY OTHER INFORMATION THE DEPARTMENT DEEMS APPROPRIATE.**

**(E) CERTIFICATE.--UPON EXECUTION OF THE CONTRACT REQUIRED BY SUBSECTION (D), THE DEPARTMENT SHALL AWARD THE TAXPAYER A CONCERT REHEARSAL AND TOUR TAX CREDIT AND ISSUE THE RECIPIENT A TAX CREDIT CERTIFICATE.**

**SECTION 17 74-D. CLAIM.**

**BEGINNING JULY 1, 2017, A RECIPIENT MAY CLAIM A CONCERT REHEARSAL AND TOUR TAX CREDIT AGAINST THE QUALIFIED TAX LIABILITY OF THE RECIPIENT.**

**SECTION 17 75-D. CARRYOVER, CARRYBACK AND ASSIGNMENT OF TAX CREDIT.**

**(A) GENERAL RULE.--IF A RECIPIENT CANNOT USE THE ENTIRE AMOUNT OF A TAX CREDIT FOR THE**

**TAXABLE YEAR IN WHICH THE TAX CREDIT IS FIRST APPROVED, THE EXCESS MAY BE CARRIED**

**OVER TO SUCCEEDING TAXABLE YEARS AND USED AS A TAX CREDIT AGAINST THE QUALIFIED TAX**

**LIABILITY OF THE RECIPIENT FOR THOSE TAXABLE YEARS. EACH TIME THE TAX CREDIT IS CARRIED**

OVER TO A SUCCEEDING TAXABLE YEAR, THE TAX CREDIT SHALL BE REDUCED BY THE AMOUNT

THAT WAS USED AS A CREDIT DURING THE IMMEDIATELY PRECEDING TAXABLE YEAR. THE TAX

CREDIT MAY BE CARRIED OVER AND APPLIED TO SUCCEEDING TAXABLE YEARS FOR NO MORE THAN THREE TAXABLE YEARS FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE RECIPIENT WAS ENTITLED TO CLAIM THE TAX CREDIT.

(B) APPLICATION.--A TAX CREDIT APPROVED BY THE DEPARTMENT IN A TAXABLE YEAR FIRST

SHALL BE APPLIED AGAINST THE RECIPIENT'S QUALIFIED TAX LIABILITY FOR THE CURRENT TAXABLE YEAR AS OF THE DATE ON WHICH THE TAX CREDIT WAS APPROVED BEFORE THE TAX CREDIT CAN BE APPLIED AGAINST TAX LIABILITY UNDER SUBSECTION (A).

(C) NO CARRYBACK OR REFUND.--A RECIPIENT SHALL NOT BE ENTITLED TO CARRY BACK OR OBTAIN A REFUND OF ANY PORTION OF AN UNUSED TAX CREDIT GRANTED TO THE RECIPIENT UNDER THIS SUBARTICLE.

(D) SALE OR ASSIGNMENT.--THE FOLLOWING SHALL APPLY:

(1) A RECIPIENT, UPON APPLICATION TO AND APPROVAL BY THE DEPARTMENT, MAY SELL OR ASSIGN, IN WHOLE OR IN PART, A TAX CREDIT GRANTED TO THE RECIPIENT UNDER THIS SUBARTICLE.

(2) THE DEPARTMENT AND THE DEPARTMENT OF REVENUE SHALL JOINTLY PROMULGATE REGULATIONS FOR THE APPROVAL OF APPLICATIONS UNDER THIS SUBSECTION.

(3) BEFORE AN APPLICATION IS APPROVED, THE DEPARTMENT OF REVENUE MUST MAKE A

FINDING THAT THE RECIPIENT HAS FILED ALL REQUIRED STATE TAX REPORTS AND RETURNS

FOR ALL APPLICABLE TAXABLE YEARS AND PAID ANY BALANCE OF STATE TAX DUE AS DETERMINED AT SETTLEMENT, ASSESSMENT OR DETERMINATION BY THE DEPARTMENT OF REVENUE.

(4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE DEPARTMENT OF REVENUE SHALL

SETTLE, ASSESS OR DETERMINE THE TAX OF A TAXPAYER UNDER THIS SUBSECTION WITHIN 60 DAYS OF THE FILING OF ALL REQUIRED FINAL RETURNS OR REPORTS IN ACCORDANCE WITH SECTION 806.1(A)(5) OF THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE. (E) PURCHASERS AND ASSIGNEES.--THE FOLLOWING APPLY:

(1) THE PURCHASER OR ASSIGNEE OF ALL OR A PORTION OF A TAX CREDIT UNDER SUBSECTION(D) SHALL IMMEDIATELY CLAIM THE TAX CREDIT IN THE TAXABLE YEAR IN WHICH THE PURCHASE OR ASSIGNMENT IS MADE.

(2) THE AMOUNT OF THE TAX CREDIT THAT A PURCHASER OR ASSIGNEE MAY USE AGAINST ONE QUALIFIED TAX LIABILITY MAY NOT EXCEED 50% OF THE QUALIFIED TAX LIABILITY FOR THE TAXABLE YEAR.

(3) THE PURCHASER OR ASSIGNEE MAY NOT CARRY FORWARD, CARRY BACK OR OBTAIN A REFUND OF OR SELL OR ASSIGN THE TAX CREDIT.

(4) THE PURCHASER OR ASSIGNEE SHALL NOTIFY THE DEPARTMENT OF REVENUE OF THE SELLER OR ASSIGNOR OF THE TAX CREDIT IN COMPLIANCE WITH PROCEDURES SPECIFIED BY THE DEPARTMENT OF REVENUE.

**SECTION 17 76-D. DETERMINATION OF PENNSYLVANIA REHEARSAL AND TOUR EXPENSES.**

WHEN PRESCRIBING STANDARDS FOR DETERMINING WHICH REHEARSAL OR TOUR EXPENSES ARE CONSIDERED PENNSYLVANIA REHEARSAL AND TOUR EXPENSES FOR PURPOSES OF COMPUTING THE TAX CREDIT PROVIDED BY THIS SUBARTICLE, THE DEPARTMENT SHALL CONSIDER:

(1) THE LOCATION WHERE SERVICES ARE PERFORMED.

(2) THE LOCATION WHERE CONCERT TOUR EQUIPMENT IS PURCHASED, RENTED, DELIVERED AND USED.

(3) THE LOCATION WHERE REHEARSALS OR CONCERTS ARE HELD.

(4) OTHER FACTORS THE DEPARTMENT DETERMINES ARE RELEVANT.

**SECTION 17 77-D. LIMITATIONS.**

(A) CAP.--EXCEPT AS PROVIDED IN THIS SUBSECTION, THE DEPARTMENT MAY NOT AWARD TAX

CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED

RELATED TO MORE THAN FIVE TOURS IN A FISCAL YEAR. IN A FISCAL YEAR, THE DEPARTMENT

MAY, IN THE DEPARTMENT'S DISCRETION, ADVANCE THE AWARD OF TAX CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO A MAXIMUM OF TWO ADDITIONAL TOURS.

(B) ADVANCE AWARD OF CREDITS.--THE ADVANCE AWARD OF TAX CREDITS UNDER SUBSECTION(A) SHALL:

(1) COUNT AGAINST THE TOTAL NUMBER OF TOURS THAT THE DEPARTMENT MAY AWARD TAX

CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED

RELATED TO A TOUR IN THAT NEXT SUCCEEDING FISCAL YEAR; AND

(2) REDUCE THE NUMBER OF TOURS THAT THE DEPARTMENT MAY AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO A TOUR IN THAT NEXT SUCCEEDING FISCAL YEAR.

(C) INDIVIDUAL LIMITATIONS.--THE FOLLOWING SHALL APPLY:

(1) A TAXPAYER MAY NOT BE AWARDED MORE THAN \$800,000 OF TAX CREDITS FOR A TOUR.

(2) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE AGGREGATE AMOUNT OF TAX CREDITS

**AWARDED BY THE DEPARTMENT UNDER SECTION 17 73-D(E) TO A TAXPAYER FOR A TOUR**

**WITH CONCERTS AT TWO CLASS 1 VENUES OR A CLASS 1 VENUE AND A CLASS 2 VENUE MAY NOT EXCEED 25% OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED.**

**(3) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE AGGREGATE AMOUNT OF TAX CREDITS**

**AWARDED BY THE DEPARTMENT UNDER SECTION 17 73-D(E) TO A TAXPAYER FOR A TOUR WITH CONCERTS AT A CLASS 1 VENUE AND A CLASS 3 VENUE MAY NOT EXCEED 30% OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED.**

**(4) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE AGGREGATE AMOUNT OF TAX CREDITS**

**AWARDED BY THE DEPARTMENT UNDER SECTION 17 73-D(E) TO A TAXPAYER FOR A TOUR WITH**

**CONCERTS AT A CLASS 1 VENUE AND A CLASS 3 VENUE WHICH DOES NOT SERVE ALCOHOL MAY NOT EXCEED 35% OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED.**

**(5) IN ADDITION TO THE TAX CREDITS UNDER PARAGRAPH (2), (3) OR (4), A TAXPAYER IS ELIGIBLE**

**FOR A TAX CREDIT IN THE AMOUNT OF 5% OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED BY THE TAXPAYER IF THE TAXPAYER HOLDS CONCERTS AT A TOTAL OF TWO OR MORE CLASS 2 VENUES OR CLASS 3 VENUES.**

**(D) QUALIFIED REHEARSAL FACILITY.--TO BE CONSIDERED A QUALIFIED REHEARSAL FACILITY**

**UNDER THIS SUBARTICLE, THE OWNER OF A REHEARSAL FACILITY SHALL PROVIDE EVIDENCE TO**

**THE DEPARTMENT TO VERIFY THE DEVELOPMENT OR FACILITY SPECIFICATIONS AND CAPITAL**

**IMPROVEMENT COSTS INCURRED FOR THE REHEARSAL FACILITY SO THAT THE THRESHOLD**

**AMOUNTS SET IN THE DEFINITION OF "QUALIFIED REHEARSAL FACILITY" UNDER SECTION 17 72-D ARE SATISFIED, AND, UPON VERIFICATION, THE REHEARSAL FACILITY SHALL BE REGISTERED BY THE DEPARTMENT OFFICIALLY AS A QUALIFIED REHEARSAL FACILITY.**

**(E) WAIVER.--THE DEPARTMENT MAY MAKE A DETERMINATION THAT THE FINANCIAL BENEFIT TO**

**THIS COMMONWEALTH RESULTING FROM THE DIRECT INVESTMENT IN OR PAYMENTS MADE TO**

**PENNSYLVANIA REHEARSAL AND CONCERT FACILITIES OUTWEIGHS THE BENEFIT OF MAINTAINING THE 60% PENNSYLVANIA REHEARSAL EXPENSES REQUIREMENT CONTAINED IN THE DEFINITION OF**

**"QUALIFIED REHEARSAL AND TOUR EXPENSE" UNDER SECTION 17 72-D. IF THE**

DETERMINATION IS MADE, THE DEPARTMENT MAY WAIVE THE REQUIREMENT THAT 60% OF A TOUR'S AGGREGATE REHEARSAL EXPENSES BE COMPRISED OF PENNSYLVANIA REHEARSAL EXPENSES.

**SECTION 17 78-D. PENALTY.**

A RECIPIENT WHICH CLAIMS A TAX CREDIT AND FAILS TO INCUR THE AMOUNT OF QUALIFIED REHEARSAL AND TOUR EXPENSES AGREED TO UNDER SECTION 17 73-D(D)(4) FOR A TOUR IN THAT

TAXABLE YEAR SHALL REPAY TO THE COMMONWEALTH AN AMOUNT EQUAL TO 110% OF THE

DIFFERENCE BETWEEN THE AMOUNT AGREED TO UNDER SECTION 17 73-D(D)(4) AND THE AMOUNT OF QUALIFIED REHEARSAL AND TOUR EXPENSES ACTUALLY INCURRED BY THE RECIPIENT. THE PENALTY SHALL BE ASSESSED AND COLLECTED UNDER ARTICLE II.

**SECTION 17 79-D. PASS-THROUGH ENTITY.**

(A) GENERAL RULE.--IF A PASS-THROUGH ENTITY HAS ANY UNUSED TAX CREDITS UNDER SECTION

17 75-D, THE PASS-THROUGH ENTITY MAY ELECT IN WRITING, ACCORDING TO PROCEDURES

ESTABLISHED BY THE DEPARTMENT OF REVENUE, TO TRANSFER ALL OR A PORTION OF THE

TAX CREDITS TO SHAREHOLDERS, MEMBERS OR PARTNERS IN PROPORTION TO THE SHARE OF THE ENTITY'S DISTRIBUTIVE INCOME TO WHICH EACH SHAREHOLDER, MEMBER OR PARTNER IS ENTITLED.

(B) LIMITATION.--A PASS-THROUGH ENTITY AND A SHAREHOLDER, MEMBER OR PARTNER OF A PASS-THROUGH ENTITY MAY NOT CLAIM THE TAX CREDIT UNDER SUBSECTION (A) FOR THE SAME QUALIFIED REHEARSAL AND TOUR EXPENSE.

(C) APPLICATION.--A SHAREHOLDER, MEMBER OR PARTNER OF A PASS-THROUGH ENTITY TO

WHOM A TAX CREDIT IS TRANSFERRED UNDER SUBSECTION (A) SHALL IMMEDIATELY CLAIM

THE TAX CREDIT IN THE TAXABLE YEAR IN WHICH THE TRANSFER IS MADE. THE SHAREHOLDER, MEMBER OR PARTNER MAY NOT CARRY FORWARD, CARRY BACK, OBTAIN A REFUND OF OR SELL OR ASSIGN THE TAX CREDIT.

**SECTION 1780-D. DEPARTMENT GUIDELINES AND REGULATIONS.**

THE DEPARTMENT SHALL DEVELOP WRITTEN GUIDELINES FOR THE IMPLEMENTATION OF THIS SUBARTICLE. THE GUIDELINES SHALL BE IN EFFECT UNTIL THE DEPARTMENT PROMULGATES REGULATIONS FOR THE IMPLEMENTATION OF THIS SUBARTICLE.

**SECTION 1781-D. REPORT TO GENERAL ASSEMBLY.**

NO LATER THAN JUNE 1, 2018, AND SEPTEMBER 1 OF EACH YEAR THEREAFTER, THE SECRETARY

OF COMMUNITY AND ECONOMIC DEVELOPMENT SHALL SUBMIT A REPORT TO THE GENERAL

ASSEMBLY SUMMARIZING THE EFFECTIVENESS OF THE TAX CREDITS PROVIDED BY THIS



**SUBARTICLE. THE REPORT SHALL INCLUDE THE NAME OF THE TOURS WHICH REHEARSED IN THIS COMMONWEALTH, THE NAMES OF ALL RECIPIENTS AWARDED A TAX CREDIT AS OF THE DATE OF THE REPORT AND THE AMOUNT OF TAX CREDITS APPROVED FOR EACH RECIPIENT.**

**THE REPORT MAY ALSO INCLUDE RECOMMENDATIONS FOR CHANGES IN THE CALCULATION OR**

**ADMINISTRATION OF THE TAX CREDITS PROVIDED UNDER THIS SUBARTICLE. THE REPORT SHALL**

**BE SUBMITTED TO THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS**

**COMMITTEE OF THE SENATE, THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE FINANCE COMMITTEE OF THE SENATE, THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE FINANCE COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE REPORT SHALL INCLUDE THE FOLLOWING INFORMATION, WHICH SHALL BE SEPARATED BY GEOGRAPHIC LOCATION WITHIN THIS COMMONWEALTH:**

**(1) THE AMOUNT OF TAX CREDITS CLAIMED DURING THE FISCAL YEAR BY TOUR.**

**(2) THE TOTAL AMOUNT SPENT IN THIS COMMONWEALTH DURING THE FISCAL YEAR BY TOURS AND CONCERT TOUR PROMOTION COMPANIES FOR SERVICES AND SUPPLIES.**

**(3) THE TOTAL AMOUNT OF TAX REVENUES, BOTH DIRECTLY AND INDIRECTLY, GENERATED FOR THE COMMONWEALTH DURING THE FISCAL YEAR BY THE CONCERT REHEARSAL AND TOUR INDUSTRY.**

**SECTION 36. THE DEFINITION OF "QUALIFIED TAX LIABILITY" IN SECTION 1702-G OF THE ACT IS AMENDED TO READ:**

**SECTION 1702-G. DEFINITIONS.**

**THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:**

**\* \* \***

**"QUALIFIED TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED UNDER ARTICLES III, IV, VI, VII, VIII, IX, XI AND XV. THE TERM DOES NOT INCLUDE TAX WITHHELD UNDER SECTION ~~316~~ 316.1.**

**\* \* \***

**SECTION 36.1. SECTION 1811-C(B) OF THE ACT IS AMENDED BY ADDING A PARAGRAPH TO READ:**

**SECTION 1811-C. CERTIFICATION.**

**\* \* \***

**(B) CONTENT.--**

\* \* \*

**(3) THE DEPARTMENT SHALL REQUEST DOCUMENTATION REGARDING STATE ELIGIBLE TAXES**

**PAID OR REFUNDS RECEIVED FROM THE AGENCY REQUIRED TO COLLECT THE TAXES OR ISSUE THE REFUNDS BEFORE REQUIRING SUCH DOCUMENTATION FROM THE QUALIFIED BUSINESS.**

**INSTRUCTIONS ISSUED BY THE DEPARTMENT AFTER THE EFFECTIVE DATE OF THIS SECTION SHALL INCLUDE A STATEMENT THAT THE QUALIFIED BUSINESS WILL NOT BE REQUIRED TO SUBMIT**

**SUPPORTING DOCUMENTATION WITH THE QUALIFIED BUSINESS'S REQUEST FOR CERTIFICATION UNDER THIS ARTICLE. NOTHING IN THIS PARAGRAPH SHALL PROHIBIT THE DEPARTMENT FROM AUDITING REPORTS SUBMITTED BY QUALIFIED BUSINESSES FOR COMPLIANCE WITH THIS ARTICLE.**

\* \* \*

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

**SECTION 49. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:**

**(1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 60 DAYS:**

**(I) THE AMENDMENT OR ADDITION OF SECTIONS 312, 316, 316.1, 316.2, 317, 317.1, 317.2, 318, 318.1, 319, 319.1, 320, 320.1, 321.2, THE HEADING OF PART VII-A OF ARTICLE III, 324.1(C), 324.2, 324.4, 324.5, 335(F) AND 352(F), (H) AND (J) OF THE ACT.**

**(I.1) THE ADDITION OF SECTION 401(3)4(C.1) OF THE ACT.**

**(II) THE ADDITION OF PART IV-A OF ARTICLE IV OF THE ACT.**

**(II.1) THE ADDITION OF ARTICLE XVII-A.1 OF THE ACT.**

**(III) THE ADDITION OF THE DEFINITIONS OF "DETERIORATED PROPERTY" AND "FILM PRODUCTION TAX CREDIT DISTRICT" IN SECTION 1711-D OF THE ACT.**

**(IV) THE ADDITION OF SECTION 1712-D(B.1) OF THE ACT.**

**(V) THE ADDITION OF SECTION 1716.2-D OF THE ACT.**

**(VI) THE DEFINITION OF "QUALIFIED TAX LIABILITY" IN SECTION 1702-G OF THE ACT.**

**(2) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 365 DAYS:**

**(I) (RESERVED).**

**(II) THE ADDITION OF SECTION 1904.3-B OF THE ACT.**

**(3) THE AMENDMENT OR ADDITION OF SECTION 401(3)4(C)(1) (A)(VI), (VII) AND (VIII) AND (2)(B)(VII)AND (VIII) OF THE ACT SHALL TAKE EFFECT ON THE DATE OF THE PUBLICATION OF THE NOTICE UNDER SECTION 46 OF THIS ACT.**

**(4) (RESERVED).**

**(5) AS FOLLOWS:**

**(I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II), SECTIONS 213.2, 213.4 AND 213.5 OF THE ACTSHALL TAKE EFFECT FEBRUARY 1, 2018.**

**(II) SECTIONS 213.2, 213.4 AND 213.5 OF THE ACT, AS THEY RELATE TO TANGIBLE PERSONALPROPERTY DESCRIBED IN SECTION 201(M)(2), SHALL TAKE EFFECT FEBRUARY 1, 2019.**

**(6) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IMMEDIATELY:**

**(I) THIS SECTION.**

**(II) THE REMAINDER OF THIS ACT.**