

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2069 Session of  
2005

INTRODUCED BY PAYNE, BOYD, CALTAGIRONE, CAWLEY, DENLINGER,  
GEIST, HERMAN, KOTIK, MARKOSEK, READSHAW, SCAVELLO, B. SMITH  
AND YUDICHAK, OCTOBER 17, 2005

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 17, 2005

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," providing for a critical infrastructure tax  
11 credit.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
15 the Tax Reform Code of 1971, is amended by adding an article to  
16 read:

17 ARTICLE XXII

18 CRITICAL INFRASTRUCTURE TAX CREDIT

19 Section 2201. Short title.

20 This article shall be known and may be cited as the Critical  
21 Infrastructure Tax Credit Act.

22 Section 2202. Definitions.

1 The following words and phrases when used in this article  
2 shall have the meanings given to them in this section unless the  
3 context clearly indicates otherwise:

4 "Business." A corporation, partnership or sole  
5 proprietorship that owns or operates a critical infrastructure  
6 in this Commonwealth and subject to any of the taxes imposed by  
7 Article III, IV, VI, VII, VIII, IX or XV.

8 "Costs." Amounts expended for qualified expenditures.

9 "Credit." The critical infrastructure tax credit.

10 "Critical infrastructure."

11 (1) public water system;

12 (2) primary data storage and processing facility;

13 (3) chemical facility;

14 (4) hydroelectric facility and dam;

15 (5) electrical power generating facility;

16 (6) rail and highway bridges;

17 (7) gas and oil storage and transportation;

18 (8) mass transit system;

19 (9) telecommunications, Internet and cyber facility;

20 (10) banking and finance institution;

21 (11) public gathering facilities; and

22 (12) health care facilities.

23 "Qualified expenditures."

24 (1) Equipment designed to enhance the physical security  
25 of critical infrastructure by preventing and/or deterring an  
26 attack or by mitigating the effects of an attack, including,  
27 but not limited to:

28 (i) surveillance, warning, access/intrusion control  
29 systems;

30 (ii) sensors that detect chemical, biological,

1 radiological, nuclear and explosive agents;

2 (iii) inspection/detection systems;

3 (iv) explosive protection equipment; and

4 (v) terrorism early warning system.

5 (2) Assessments of critical infrastructure sites to  
6 determine specific vulnerabilities, equipment or personnel  
7 required to protect and secure sites and resources,  
8 including, but not limited to:

9 (i) vulnerability assessments;

10 (ii) security equipment and security force  
11 requirements; and

12 (iii) critical infrastructure protection cost  
13 studies.

14 (3) Related critical infrastructure terrorism prevention  
15 activities, including, but not limited to:

16 (i) planning for enhancing security during  
17 heightened alerts, during terrorist incidents and/or  
18 during mitigation and recovery;

19 (ii) public information or education related to  
20 terrorist incidents; and

21 (iii) neighborhood watch activities surrounding  
22 critical infrastructure sites.

23 (4) Critical infrastructure exercise program activities,  
24 including, but not limited to, tabletop exercises, drills or  
25 full scale exercises involving a terrorist attack.

26 (5) Critical infrastructure protection training,  
27 including, but not limited to:

28 (i) terrorism awareness training for employees;

29 (ii) emergency response personnel training for a  
30 terrorism attack;

1           (iii) site-specific training for security response  
2           to a terrorism attack; and  
3           (iv) training on the vulnerabilities assessment  
4           studies.

5 Section 2203. Authorization of credit.

6           A business that owns or operates a critical infrastructure  
7           shall be eligible for the tax credit.

8 Section 2204. Calculation of credit.

9           The amount of the tax credit available to a business which  
10          qualifies under this article shall be equal to 100% of the costs  
11          expended for any qualified expenditures.

12 Section 2205. Taxes against which credit may be taken.

13          The tax credit provided for in this article may be applied  
14          against any tax due under Article III, IV, VI, VII, VIII, IX or  
15          XV.

16 Section 2206. Powers and duties.

17          In addition to those powers created by any other act, the  
18          Secretary of Revenue shall have the power and it shall be the  
19          secretary's duty to:

20                (1) Promulgate and publish any rules and regulations  
21                which may be required to implement this article.

22                (2) Publish as a notice in the Pennsylvania Bulletin  
23                forms upon which taxpayers may apply for the tax credit  
24                authorized by this article.

25          Section 2. This act shall apply to the taxable year  
26 beginning January 1, 2006.

27          Section 3. This act shall take effect immediately.