

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL****No. 907**      Session of  
2011

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INTRODUCED BY BROWNE, MARCH 30, 2011

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AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 28, 2011

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## AN ACT

Amending the act of April 9, 1929 (P.L.343, No.176), entitled, as amended, "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," ~~in special funds,~~ PROVIDING FOR TIME FOR FILING RETURNS FOR CERTAIN SALES AND USE TAXPAYERS; ESTABLISHING A RESTRICTED ACCOUNT WITHIN THE AGRICULTURAL COLLEGE LAND SCRIP FUND; IN BORROWING FOR CAPITAL FACILITIES, FURTHER PROVIDING FOR DEFINITIONS, FOR NEIGHBORHOOD

IMPROVEMENT ZONE FUND, FOR KEYSTONE OPPORTUNITY ZONE AND FOR DURATION AND PROVIDING FOR COMMONWEALTH PLEDGES AND FOR CONFIDENTIALITY, PROVIDING FOR FINANCIALLY DISTRESSED MUNICIPALITIES AND FOR KEYSTONE SPECIAL DEVELOPMENT ZONES; IN EDUCATION TAX CREDITS, MAKING AN EDITORIAL CHANGE AND PROVIDING FOR DEPARTMENT OF REVENUE AND FOR DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; IN SPECIAL FUNDS, FURTHER PROVIDING FOR FUNDING AND reviving and further providing for investments; PROVIDING FOR 2011-2012 BUDGET IMPLEMENTATION AND RESTRICTIONS; IN GENERAL BUDGET IMPLEMENTATION, FURTHER PROVIDING FOR EXECUTIVE OFFICES AND FOR THE AUDITOR GENERAL, PROVIDING FOR PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY ACCOUNTS, FURTHER PROVIDING FOR THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY, REPEALING PROVISIONS RELATED TO THE LEGISLATIVE DEPARTMENT, PROVIDING FOR THE CATASTROPHIC LOSS BENEFITS CONTINUATION FUND AND FURTHER PROVIDING FOR THE STATE GAMING FUND; IN 2010-2011 BUDGET IMPLEMENTATION, FURTHER PROVIDING FOR THE DEPARTMENT OF EDUCATION; PROVIDING FOR AUDITS; AND MAKING RELATED REPEALS.

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

~~Section 1. The heading of Subarticle D of Article XVII-A of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, added July 7, 2005 (P.L.174, No.41), is reenacted to read:~~

SECTION 1. THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE, IS AMENDED BY ADDING SECTIONS TO READ:

SECTION 202.2. TIME FOR FILING RETURNS FOR CERTAIN SALES AND USE TAXPAYERS.--(A) NOTWITHSTANDING SECTION 217 OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE "TAX REFORM CODE OF 1971," AFTER MAY 31, 2011, FOR EVERY SALES AND USE TAX LICENSEE WHOSE TOTAL SALES AND USE TAX REPORTED OR REQUIRED TO BE REPORTED FOR THE THIRD CALENDAR QUARTER OF THE PRECEDING YEAR EQUALS OR EXCEEDS TWENTY-FIVE THOUSAND DOLLARS (\$25,000), THE LICENSEE SHALL, ON OR BEFORE THE TWENTIETH DAY OF EACH MONTH, FILE A SINGLE SALES AND USE TAX RETURN CONSISTING OF ALL OF THE FOLLOWING:

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2), AN AMOUNT EQUAL TO FIFTY PER CENTUM OF THE LICENSEE'S TOTAL SALES AND USE TAX LIABILITY REPORTED OR REQUIRED TO BE REPORTED FOR THE SAME MONTH

IN THE PRECEDING CALENDAR YEAR IF THE LICENSEE WAS A MONTHLY SALES AND USE TAX FILER. IF THE LICENSEE WAS A QUARTERLY OR SEMI-ANNUAL SALES AND USE TAX FILER, AN AMOUNT EQUAL TO FIFTY PER CENTUM OF THE LICENSEE'S AVERAGE TOTAL SALES AND USE TAX LIABILITY REPORTED OR REQUIRED TO BE REPORTED FOR THAT TAX PERIOD IN THE PRECEDING CALENDAR YEAR. THE AVERAGE TOTAL SALES AND USE TAX LIABILITY SHALL BE THE TOTAL SALES AND USE TAX LIABILITY REPORTED OR REQUIRED TO BE REPORTED FOR THE TAX PERIOD DIVIDED BY THE NUMBER OF MONTHS IN THAT TAX PERIOD. FOR LICENSEES THAT WERE NOT IN BUSINESS DURING THE SAME MONTH IN THE PRECEDING CALENDAR YEAR OR WERE IN BUSINESS FOR ONLY A PORTION OF THAT MONTH, AN AMOUNT EQUAL TO FIFTY PER CENTUM OF THE AVERAGE TOTAL SALES AND USE TAX LIABILITY REPORTED OR REQUIRED TO BE REPORTED FOR EACH TAX PERIOD THE LICENSEE HAS BEEN IN BUSINESS. IF THE LICENSEE IS FILING A SALES AND USE TAX LIABILITY FOR THE FIRST TIME WITH NO PRECEDING TAX PERIODS, THE AMOUNT SHALL BE ZERO.

(2) FOR A RETURN DUE JUNE 20, 2011, THE PERCENTAGE USED IN THE CALCULATION UNDER PARAGRAPH (1) SHALL BE FIFTY-FIVE PER CENTUM.

(3) AN AMOUNT EQUAL TO THE SALES AND USE TAXES DUE FOR THE PRECEDING MONTH, LESS ANY AMOUNTS PAID IN THE PRECEDING MONTH AS REQUIRED BY PARAGRAPH (1).

(B) THE SALES AND USE TAX REQUIRED TO BE REPORTED UNDER THIS SECTION SHALL BE DUE AND PAYABLE BY THE LICENSEE ON THE DAY THE RETURN IS REQUIRED TO BE FILED AND ALL PAYMENTS MUST ACCOMPANY THE RETURN.

(C) THE DEPARTMENT SHALL DETERMINE WHETHER THE AMOUNTS REPORTED UNDER THIS SECTION SHALL BE REMITTED AS ONE COMBINED PAYMENT OR AS TWO SEPARATE PAYMENTS.

(D) THE DEPARTMENT MAY REQUIRE THE FILING OF THE RETURNS AND THE PAYMENTS FOR FILERS UNDER THIS SECTION BY ELECTRONIC MEANS APPROVED BY THE DEPARTMENT.

(E) IF A LICENSEE REQUIRED TO REMIT PAYMENTS UNDER THIS SECTION FAILS TO MAKE A TIMELY PAYMENT OR MAKES A PAYMENT WHICH IS LESS THAN THE REQUIRED AMOUNT, THE DEPARTMENT MAY, IN ADDITION TO ANY APPLICABLE PENALTIES, IMPOSE AN ADDITIONAL PENALTY EQUAL TO FIVE PER CENTUM OF THE AMOUNT DUE UNDER THIS SECTION WHICH WAS NOT TIMELY PAID. THE PENALTY UNDER THIS SUBSECTION SHALL BE DETERMINED WHEN THE TAX RETURN IS FILED FOR THE TAX PERIOD.

(F) A REFERENCE IN STATUTE OR REGULATION TO SECTION 217 OF THE "TAX REFORM CODE OF 1971" SHALL ALSO BE DEEMED A REFERENCE TO THIS SECTION.

SECTION 507. RESTRICTED ACCOUNT WITHIN AGRICULTURAL COLLEGE LAND SCRIP FUND.--(A) A RESTRICTED ACCOUNT IS HEREBY ESTABLISHED WITHIN THE AGRICULTURAL COLLEGE LAND SCRIP FUND FOR THE PURPOSE OF FUNDING AGRICULTURAL RESEARCH PROGRAMS AND AGRICULTURAL EXTENSION SERVICES.

(B) THE RESTRICTED ACCOUNT ESTABLISHED UNDER THIS SECTION SHALL CONSIST OF SUCH MONEYS AS ARE APPROPRIATED OR TRANSFERRED TO THE RESTRICTED ACCOUNT.

(C) FOLLOWING AN APPROPRIATION OR TRANSFER, THE STATE TREASURER SHALL PAY, ON AN EQUAL MONTHLY BASIS DURING THE FISCAL YEAR, THE MONEY IN THE RESTRICTED ACCOUNT TO THE COMMONWEALTH'S LAND GRANT UNIVERSITY FOR AGRICULTURAL RESEARCH PROGRAMS AND FOR AGRICULTURAL EXTENSION SERVICES.

(D) MONEY DEPOSITED IN THE AGRICULTURAL COLLEGE LAND SCRIP FUND PRIOR TO THE EFFECTIVE DATE OF THIS SECTION, AND THE INTEREST EARNED THEREON, SHALL BE PAID PURSUANT TO THE ACT OF

APRIL 1, 1863 (P.L.213, NO.227), ENTITLED "AN ACT TO ACCEPT THE GRANT OF PUBLIC LANDS, BY THE UNITED STATES, TO THE SEVERAL STATES, FOR THE ENDOWMENT OF AGRICULTURAL COLLEGES," AND THE ACT OF MAY 7, 1923 (P.L.145, NO.110), ENTITLED "AN ACT PROVIDING FOR THE REDEMPTION AND CANCELLATION OF THE BOND ISSUED UNDER THE ACT, APPROVED APRIL THIRD, ONE THOUSAND EIGHT HUNDRED AND SEVENTY-TWO (PAMPHLET LAWS, THIRTY-NINE), ENTITLED 'AN ACT DIRECTING THE SALE OF THE BONDS COMPOSING THE AGRICULTURAL COLLEGE LAND SCRIPT FUND, AND AUTHORIZING THE ISSUE OF A NEW BOND IN LIEU THEREOF, AND ABOLISHING THE BOARD COMMISSIONERS CREATED BY ACT OF APRIL FIRST, ONE THOUSAND EIGHT HUNDRED AND SIXTY-THREE,' AND FOR THE INVESTMENT OF THE MONEYS IN THE FUND RESULTING FROM SUCH REDEMPTION, AND THE PAYMENT OF THE INTEREST THEREFROM BY THE SINKING FUND COMMISSION TO PENNSYLVANIA STATE COLLEGE."

SECTION 1.1. THE DEFINITION OF "CONTRACTING AUTHORITY" IN SECTION 1602-B OF THE ACT, ADDED OCTOBER 9, 2009 (P.L.537, NO.50), IS AMENDED AND THE SECTION IS AMENDED BY ADDING DEFINITIONS TO READ:

SECTION 1602-B. 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:

"BONDS." INCLUDES NOTES, INSTRUMENTS, REFUNDING NOTES AND BONDS AND OTHER EVIDENCES OF INDEBTEDNESS OR OBLIGATIONS.

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"CONTRACTING AUTHORITY." AN AUTHORITY CREATED UNDER 53 PA.C.S. CH. 56 (RELATING TO MUNICIPAL AUTHORITIES) FOR THE PURPOSE OF DESIGNATING A NEIGHBORHOOD IMPROVEMENT ZONE AND CONSTRUCTING A FACILITY OR OTHER AUTHORITY CREATED UNDER THE

LAWS OF THIS COMMONWEALTH WHICH IS ELIGIBLE TO APPLY FOR AND RECEIVE REDEVELOPMENT ASSISTANCE CAPITAL GRANTS UNDER CHAPTER 3 OF THE ACT OF FEBRUARY 9, 1999 (P.L.1, NO.1), KNOWN AS THE CAPITAL FACILITIES DEBT ENABLING ACT[, AND WHICH IS UNDER A CONTRACT WITH THE OFFICE OF THE BUDGET TO RECEIVE THOSE GRANTS].

"DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

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SECTION 1.2. SECTION 1604-B(B) INTRODUCTORY PARAGRAPH AND (9), (C) INTRODUCTORY PARAGRAPH, (D) AND (E) OF THE ACT, ADDED OCTOBER 9, 2009 (P.L.537, NO.50), ARE AMENDED AND THE SECTION IS AMENDED BY ADDING SUBSECTIONS TO READ:

SECTION 1604-B. NEIGHBORHOOD IMPROVEMENT ZONE FUND.

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(A.1) CERTIFICATION.--

(1) WITHIN 30 DAYS OF THE END OF EACH CALENDAR YEAR, EACH QUALIFIED BUSINESS SHALL FILE A REPORT WITH THE DEPARTMENT WHICH COMPLIES WITH ALL OF THE FOLLOWING:

(I) STATES EACH STATE TAX, CALCULATED IN ACCORDANCE WITH SUBSECTION (B), WHICH WAS PAID BY THE QUALIFIED BUSINESS IN THE PRIOR CALENDAR YEAR.

(II) LISTS EACH STATE TAX REFUND WHICH COMPLIES WITH ALL OF THE FOLLOWING:

(A) THE REFUND IS FOR A TAX:

(I) SET FORTH IN SUBSECTION (B); AND

(II) CERTIFIED AS PAID UNDER SUBSECTION (B).

(B) THE REFUND WAS RECEIVED IN THE PRIOR CALENDAR YEAR BY THE QUALIFIED BUSINESS.

(III) IS IN A FORM AND MANNER REQUIRED BY THE DEPARTMENT.

(2) IN ADDITION TO ANY PENALTIES IMPOSED UNDER THE ACT

OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, FOR FAILURE TO TIMELY PAY STATE TAXES, FAILURE TO FILE A TIMELY AND COMPLETE REPORT UNDER PARAGRAPH (1) SHALL RESULT IN THE IMPOSITION OF A PENALTY OF 10% OF ALL STATE TAXES, CALCULATED IN ACCORDANCE WITH SUBSECTION (B), WHICH WERE PAYABLE BY THE QUALIFIED BUSINESS IN THE PRIOR CALENDAR YEAR.

(3) ANY PENALTY IMPOSED UNDER THIS SUBSECTION SHALL BE IMPOSED, ASSESSED AND COLLECTED BY THE DEPARTMENT UNDER THE PROVISIONS FOR IMPOSING, ASSESSING AND COLLECTING PENALTIES UNDER ARTICLE II OF THE TAX REFORM CODE OF 1971. WHEN THE PENALTY IS RECEIVED, THE MONEY SHALL BE TRANSFERRED FROM THE GENERAL FUND TO THE FUND.

(4) WITHIN 30 DAYS OF THE END OF EACH CALENDAR YEAR, EACH QUALIFIED BUSINESS SHALL FILE A REPORT WITH THE LOCAL TAXING AUTHORITY REPORTING ALL LOCAL TAXES, CALCULATED IN ACCORDANCE WITH SUBSECTION (B), WHICH WERE PAID BY THE QUALIFIED BUSINESS IN THE PRIOR CALENDAR YEAR. THE REPORT FROM EACH QUALIFIED BUSINESS SHALL ALSO LIST ANY LOCAL TAX REFUNDS OF TAXES SET FORTH IN SUBSECTION (B) RECEIVED IN THE PRIOR CALENDAR YEAR BY THE QUALIFIED BUSINESS AND ANY REFUNDS RELATED TO THE LOCAL TAXES AS CALCULATED IN ACCORDANCE WITH SUBSECTION (B). THE REPORT SHALL BE IN A FORM AND MANNER REQUIRED BY THE DEPARTMENT.

(B) CALCULATION.--WITHIN 60 DAYS OF THE END OF EACH [QUARTER] CALENDAR YEAR, THE [DEPARTMENT OF REVENUE SHALL CALCULATE THE AMOUNTS UNDER THIS SUBSECTION FOR IMPROVEMENT AND DEVELOPMENT IN THE NEIGHBORHOOD IMPROVEMENT ZONE, THE FACILITY COMPLEX AND THE FACILITY. THE CONTRACTING AUTHORITY SHALL PROVIDE GOOD FAITH ESTIMATES OF QUARTERLY AMOUNTS TO BE

CALCULATED IN A FORM AND MANNER REQUIRED BY THE DEPARTMENT OF REVENUE. THE DEPARTMENT OF REVENUE] DEPARTMENT SHALL [ESTIMATE THE QUARTERLY AMOUNTS, SUBJECT TO AN ANNUAL RECONCILIATION, AND SHALL] CERTIFY THE AMOUNTS OF STATE TAXES PAID, LESS ANY STATE TAX REFUNDS RECEIVED, BY THE QUALIFIED BUSINESSES FILING REPORTS UNDER SUBSECTION (A.1) (1) TO THE OFFICE OF THE BUDGET [WITHIN 90 DAYS OF THE END OF A FISCAL QUARTER]. BEGINNING IN 2012 AND IN EACH CALENDAR YEAR THEREAFTER, BY NOVEMBER 1, THE DEPARTMENT SHALL CALCULATE, IN ACCORDANCE WITH THIS SUBSECTION, AMOUNTS OF STATE TAXES ACTUALLY RECEIVED BY THE COMMONWEALTH FROM EACH QUALIFIED BUSINESS THAT FILED A REPORT UNDER SUBSECTION (A.1) (1) IN THE PRIOR CALENDAR YEAR; AND THE DEPARTMENT SHALL CERTIFY THE AMOUNTS RECEIVED TO THE OFFICE. AN ENTITY COLLECTING A LOCAL TAX WITHIN THE NEIGHBORHOOD IMPROVEMENT ZONE SHALL, WITHIN 30 DAYS OF THE END OF [A FISCAL QUARTER] EACH CALENDAR YEAR, SUBMIT ALL OF THE LOCAL TAXES [COLLECTED THAT ARE TO BE CALCULATED UNDER THIS SUBSECTION] THAT ARE TO BE CALCULATED UNDER THIS SUBSECTION AND WHICH WERE PAID IN THE PRIOR CALENDAR YEAR, LESS ANY CERTIFIED LOCAL TAX REFUNDS RECEIVED BY A QUALIFIED BUSINESS IN THE PRIOR CALENDAR YEAR, TO THE STATE TREASURER [FOR TRANSFER] TO BE DEPOSITED IN THE FUND UNDER SUBSECTION (D). THIS SUBSECTION SHALL NOT APPLY TO ANY TAXES SUBJECT TO A VALID PLEDGE OR SECURITY INTEREST ENTERED INTO IN ORDER TO SECURE DEBT SERVICE ON BONDS IF THE PLEDGE OR SECURITY INTEREST WAS ENTERED INTO PRIOR TO MAY 1, 2011, AND IS STILL IN EFFECT. THE FOLLOWING SHALL BE THE AMOUNTS CALCULATED AND CERTIFIED:

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(9) EXCEPT FOR A TAX LEVIED AGAINST REAL PROPERTY AND NOTWITHSTANDING ANY OTHER LAW, AN AMOUNT EQUAL TO ANY TAX IMPOSED BY THE COMMONWEALTH OR ANY OF ITS POLITICAL

SUBDIVISIONS ON A QUALIFIED BUSINESS ENGAGED IN AN ACTIVITY WITHIN THE NEIGHBORHOOD IMPROVEMENT ZONE OR DIRECTLY OR INDIRECTLY ON ANY SALE OR PURCHASE OF GOODS OR SERVICES, WHERE THE POINT OF SALE OR PURCHASE IS WITHIN THE NEIGHBORHOOD IMPROVEMENT ZONE.

(C) [INCOME] STATE TAX LIABILITY APPORTIONMENT.--FOR THE PURPOSE OF MAKING THE CALCULATIONS UNDER SUBSECTION (B), THE [TAXABLE INCOME OF A CORPORATION THAT IS] STATE TAX LIABILITY OF A QUALIFIED BUSINESS SHALL BE APPORTIONED TO THE NEIGHBORHOOD IMPROVEMENT ZONE BY MULTIPLYING THE PENNSYLVANIA [TAXABLE INCOME] STATE TAX LIABILITY BY A FRACTION, THE NUMERATOR OF WHICH IS THE PROPERTY FACTOR PLUS THE PAYROLL FACTOR PLUS THE SALES FACTOR AND THE DENOMINATOR OF WHICH IS THREE, IN ACCORDANCE WITH THE FOLLOWING:

(D) TRANSFERS.--

(1) WITHIN TEN DAYS OF RECEIVING [NOTIFICATION] CERTIFICATION UNDER SUBSECTION (B), THE SECRETARY OF THE BUDGET SHALL DIRECT THE STATE TREASURER TO, NOTWITHSTANDING ANY OTHER LAW, TRANSFER THE AMOUNTS [CALCULATED] CERTIFIED UNDER SUBSECTION (B) FROM THE GENERAL FUND TO THE FUND. BEGINNING IN 2013 AND IN EACH YEAR THEREAFTER, THE AMOUNTS CERTIFIED BY THE SECRETARY TO THE STATE TREASURER AND THE AMOUNTS TRANSFERRED BY THE STATE TREASURER TO THE FUND SHALL BE DETERMINED AS FOLLOWS:

(I) ADD AMOUNTS CERTIFIED BY THE DEPARTMENT UNDER SUBSECTION (B) FOR THE PRIOR CALENDAR YEAR.

(II) SUBTRACT FROM THE SUM UNDER SUBPARAGRAPH (I) ANY STATE TAX REFUNDS PAID AS CERTIFIED BY THE DEPARTMENT UNDER SUBSECTION (B).

(III) ADD TO THE DIFFERENCE UNDER SUBPARAGRAPH (II)

ANY AMOUNTS CERTIFIED UNDER SUBSECTION (B) WITH RESPECT TO THE SECOND PRIOR CALENDAR YEAR.

(IV) SUBTRACT FROM THE SUM UNDER SUBPARAGRAPH (III) ANY AMOUNTS CERTIFIED UNDER SUBSECTION (B) WHICH ARE LESS THAN THE AMOUNTS PREVIOUSLY CERTIFIED UNDER SUBSECTION (B) WITH RESPECT TO THE SECOND PRIOR CALENDAR YEAR.

(2) THE STATE TREASURER SHALL PROVIDE [QUARTERLY PAYMENTS] AN ANNUAL TRANSFER TO THE CONTRACTING AUTHORITY UNTIL THE BONDS ISSUED TO FINANCE AND REFINANCE THE IMPROVEMENT AND DEVELOPMENT OF THE NEIGHBORHOOD IMPROVEMENT ZONE AND THE CONSTRUCTION OF THE [CONTRACTED] FACILITY OR FACILITY COMPLEX ARE RETIRED. [THE PAYMENT IN EACH QUARTER] EACH ANNUAL TRANSFER TO THE CONTRACTING AUTHORITY SHALL BE EQUAL TO THE BALANCE OF THE FUND ON THE [LAST DAY OF THE PRIOR CALENDAR QUARTER] DATE OF THE TRANSFER UNDER PARAGRAPH (1).

(E) RESTRICTION ON USE OF FUNDS.--FUNDS TRANSFERRED UNDER SUBSECTION (D):

(1) MAY ONLY BE UTILIZED FOR PAYMENT OF DEBT SERVICE ON BONDS ISSUED FOR THE IMPROVEMENT AND DEVELOPMENT OF ALL OR ANY PART OF THE NEIGHBORHOOD IMPROVEMENT ZONE AND THE PURPOSE OF CONSTRUCTING A FACILITY OR FACILITY COMPLEX, FOR PAYMENT OF DEBT SERVICE ON BONDS ISSUED TO REFUND THOSE BONDS AND TO REPLENISH AMOUNTS REQUIRED IN ANY DEBT SERVICE RESERVE FUNDS ESTABLISHED TO PAY DEBT SERVICE ON BONDS. THE TERM OF A BOND TO BE REFUNDED SHALL NOT EXCEED THE MAXIMUM TERM PERMITTED FOR THE ORIGINAL BOND ISSUED FOR THE IMPROVEMENT OR DEVELOPMENT OF THE NEIGHBORHOOD IMPROVEMENT ZONE AND THE CONSTRUCTION OF A FACILITY OR FACILITY COMPLEX.

(2) MAY NOT BE UTILIZED FOR PURPOSES OF RENOVATING OR

REPAIRING A FACILITY OR FACILITY COMPLEX, EXCEPT FOR CAPITAL MAINTENANCE AND IMPROVEMENT PROJECTS.

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(G) EXCESS MONEY.--WITHIN 30 DAYS OF THE END OF EACH CALENDAR YEAR, ANY MONEY REMAINING IN THE FUND AT THE END OF THE PRIOR CALENDAR YEAR AFTER THE REQUIRED PAYMENTS UNDER SUBSECTION (D) (2) WERE MADE IN THE PRIOR CALENDAR YEAR SHALL BE REFUNDED IN THE FOLLOWING MANNER:

(1) MONEY SHALL FIRST BE RETURNED TO THE GENERAL FUND TO THE EXTENT THAT THE EXCESS MONEY IS PART OF THE TRANSFER UNDER SUBSECTION (D) (1).

(2) MONEY SHALL NEXT BE PAID TO THE CONTRACTING AUTHORITY TO THE EXTENT THAT THE AMOUNTS PAID UNDER SUBSECTION (D) (2) CONSISTED OF LOCAL TAXES. THE CONTRACTING AUTHORITY SHALL RETURN THE MONEY TO THE APPROPRIATE ENTITIES COLLECTING LOCAL TAX WHO SUBMITTED THE LOCAL TAXES TO THE STATE TREASURER UNDER SUBSECTION (B).

SECTION 1.3. SECTIONS 1605-B AND 1606-B OF THE ACT, ADDED OCTOBER 9, 2009 (P.L.537, NO.50), ARE AMENDED TO READ:  
SECTION 1605-B. KEYSTONE OPPORTUNITY ZONE.

[WITHIN 30 DAYS OF THE EFFECTIVE DATE OF THIS SECTION] BEFORE SEPTEMBER 1, 2011, THE CITY SHALL APPLY TO THE [DEPARTMENT] DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO DECERTIFY AND REMOVE THE DESIGNATION OF ALL OR PART OF THE KEYSTONE OPPORTUNITY ZONE [IN ACCORDANCE WITH] ON BEHALF OF ALL POLITICAL SUBDIVISIONS. THE PROVISIONS OF SECTION 309 OF THE ACT OF OCTOBER 6, 1998 (P.L.705, NO.92), KNOWN AS THE KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONE ACT SHALL BE DEEMED SATISFIED AS TO ALL POLITICAL SUBDIVISIONS. THE [DEPARTMENT]

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT SHALL ACT ON THE APPLICATION WITHIN 30 DAYS.

SECTION 1606-B. DURATION.

THE NEIGHBORHOOD IMPROVEMENT ZONE SHALL BE IN EFFECT FOR A PERIOD EQUAL TO [THE LENGTH OF TIME OF THE BONDS THAT ARE INITIALLY ISSUED.] ONE YEAR FOLLOWING RETIREMENT OF ALL BONDS ISSUED TO FINANCE OR REFINANCE THE IMPROVEMENT AND DEVELOPMENT OF THE NEIGHBORHOOD IMPROVEMENT ZONE OR THE CONSTRUCTION OF THE FACILITY OR THE FACILITY COMPLEX. THE MAXIMUM TERM OF THE BOND, INCLUDING THE REFUNDING OF THE BOND, SHALL NOT EXCEED 30 YEARS.

SECTION 1.4. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:  
SECTION 1607-B. COMMONWEALTH PLEDGES.

IF AND TO THE EXTENT THAT THE CONTRACTING AUTHORITY PLEDGES AMOUNTS REQUIRED TO BE TRANSFERRED TO THE FUND UNDER SECTION 1604-B FOR THE PAYMENT OF BONDS ISSUED BY THE CONTRACTING AUTHORITY, UNTIL ALL BONDS SECURED BY THE PLEDGE OF THE CONTRACTING AUTHORITY, TOGETHER WITH THE INTEREST ON THE BONDS, ARE FULLY PAID OR PROVIDED FOR, THE COMMONWEALTH PLEDGES TO AND AGREES WITH ANY PERSON, FIRM, CORPORATION OR GOVERNMENT AGENCY, WHETHER IN THIS COMMONWEALTH OR ELSEWHERE, AND TO AND WITH ANY FEDERAL AGENCY SUBSCRIBING TO OR ACQUIRING THE BONDS ISSUED BY THE CONTRACTING AUTHORITY THAT THE COMMONWEALTH ITSELF WILL NOT, NOR WILL IT AUTHORIZE ANY GOVERNMENT ENTITY TO, ABOLISH OR REDUCE THE SIZE OF THE NEIGHBORHOOD IMPROVEMENT ZONE; TO AMEND OR REPEAL SECTION 1604-B(A.1), (B) OR (D); TO LIMIT OR ALTER THE RIGHTS VESTED IN THE CONTRACTING AUTHORITY IN A MANNER INCONSISTENT WITH THE OBLIGATIONS OF THE CONTRACTING AUTHORITY WITH RESPECT TO THE BONDS ISSUED BY THE CONTRACTING AUTHORITY; OR TO OTHERWISE IMPAIR REVENUES TO BE PAID UNDER THIS ARTICLE TO THE CONTRACTING AUTHORITY NECESSARY TO PAY DEBT SERVICE ON

BONDS. NOTHING IN THIS SECTION SHALL LIMIT THE AUTHORITY OF THE  
COMMONWEALTH OR ANY GOVERNMENT ENTITY TO CHANGE THE RATE, TAX  
BASES OR ANY SUBJECT OF ANY SPECIFIC TAX OR REPEALING OR  
ENACTING ANY TAX.

SECTION 1608-B. CONFIDENTIALITY.

NOTWITHSTANDING ANY LAW PROVIDING FOR THE CONFIDENTIALITY OF  
TAX RECORDS, THE CONTRACTING AUTHORITY AND THE LOCAL TAXING  
AUTHORITIES SHALL HAVE ACCESS TO ANY REPORTS AND CERTIFICATIONS  
FILED UNDER THIS ARTICLE, AND THE CONTRACTING AUTHORITY SHALL  
HAVE ACCESS TO ANY STATE OR LOCAL TAX INFORMATION FILED BY A  
QUALIFIED BUSINESS IN THE NEIGHBORHOOD IMPROVEMENT ZONE SOLELY  
FOR THE PURPOSE OF DOCUMENTING THE CERTIFICATIONS REQUIRED BY  
THIS ARTICLE. ANY OTHER USE OF THE TAX INFORMATION SHALL BE  
PROHIBITED AS PROVIDED UNDER LAW.