

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 500 Session of 2025

INTRODUCED BY INGLIS, MATZIE, MEHAFFIE, VENKAT, HOWARD, HILL-EVANS, MADDEN, SCHLOSSBERG, GIRAL, MALAGARI, NEILSON, RIVERA, BENHAM, SANCHEZ, O'MARA, CEPEDA-FREYTIZ, DAVIDSON, STEELE, K.HARRIS, DONAHUE, BOROWSKI, McNEILL, KHAN, FRIEL, PROKOPIAK, POWELL, ABNEY, D. MILLER, SALISBURY, MERSKI, PROBST, SCHWEYER, McANDREW, BIZZARRO, T. DAVIS, CERRATO, GALLAGHER AND HADDOCK, APRIL 23, 2025

REFERRED TO COMMITTEE ON FINANCE, APRIL 23, 2025

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," in Pennsylvania Economic Development for a
11 Growing Economy (PA EDGE) Tax Credits, repealing provisions
12 relating to local resource manufacturing, providing for
13 Reliable Energy Investment Tax Credit, repealing provisions
14 relating to Pennsylvania milk processing and providing for
15 Pennsylvania milk processing; in regional clean hydrogen
16 hubs, further providing for definitions, for eligibility, for
17 application and approval of tax credit, for use of tax
18 credits and for applicability; in semiconductor manufacturing
19 and biomedical manufacturing and research, further providing
20 for definitions and for application and approval of tax
21 credit and providing for sustainable aviation fuel; and, in
22 application of Prevailing Wage Act, further providing for
23 definitions.

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

26 Section 1. Subarticle B of Article XVII-L of the act of

1 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
2 1971, is repealed:

3 [SUBARTICLE B

4 LOCAL RESOURCE MANUFACTURING

5 Section 1711-L. Definitions.

6 The following words and phrases when used in this subarticle
7 shall have the meanings given to them in this section unless the
8 context clearly indicates otherwise:

9 "Dry natural gas." Natural gas in which there are no
10 appreciable natural gas liquids recoverable by separation at the
11 wellhead.

12 "Fertilizer." A chemical product derived from petrochemicals
13 which is added to soil or land to increase fertility.

14 "Natural gas liquids." As defined in 58 Pa.C.S. § 3203
15 (relating to definitions).

16 "Petrochemical." Chemical products obtained from refining
17 and processing natural gas. The term does not include
18 liquefaction or other processing of natural gas for the purpose
19 of transport.

20 "Project facility." A facility located in this Commonwealth
21 which manufactures petrochemicals or fertilizers using dry
22 natural gas and which required a capital investment of at least
23 \$400,000,000 to construct and place into service.

24 "Qualified taxpayer." A company that satisfies all of the
25 following:

- 26 (1) Purchases and uses dry natural gas produced in this
27 Commonwealth in the manufacture of petrochemicals or
28 fertilizers at a project facility in this Commonwealth that
29 has been placed in service on or after the effective date of
30 this section.

1 (2) Has made a capital investment of at least
2 \$400,000,000 in order to construct the project facility and
3 place the project facility into service in this Commonwealth.

4 (3) Has created a minimum aggregate total of 800 new
5 jobs and permanent jobs.

6 (4) Has made good faith efforts to recruit and employ,
7 and to encourage any contractors or subcontractors to recruit
8 and employ, workers from the local labor market for
9 employment during the construction of the project facility.

10 (5) Has demonstrated that the new jobs created at the
11 project facility or for work covered by Subarticle F are paid
12 at least the prevailing minimum wage and benefit rates for
13 each craft or classification as determined by the Department
14 of Labor and Industry.

15 (6) The construction work to place a project facility
16 into service shall be performed subject to the act of March
17 3, 1978 (P.L.6, No.3), known as the Steel Products
18 Procurement Act.

19 Section 1712-L. Eligibility.

20 In order to be eligible to receive a tax credit, a company
21 shall demonstrate the following:

22 (1) The company meets the requirements of a qualified
23 taxpayer.

24 (2) The use of carbon capture and sequestration
25 technology, or similar technologies, at the project facility
26 to the extent it is cost effective and feasible at the
27 discretion of the qualified taxpayer.

28 (3) Confirmation that the company has filed all required
29 State tax reports and returns for all applicable taxable
30 years and paid any balance of State tax due as determined by

assessment or determination by the department and not under
timely appeal.

Section 1713-L. Application and approval of tax credit.

(a) Rate.--The tax credit shall be equal to \$0.47 per unit
of dry natural gas that is purchased and used in the
manufacturing of petrochemicals or fertilizers at the project
facility by a qualified taxpayer.

(b) Application.--

(1) A qualified taxpayer may apply to the department for
a tax credit under this section.

(2) The application must be submitted to the department
by March 1 for the tax credit claimed for dry natural gas
purchased and used in manufacturing of petrochemicals or
fertilizers by the qualified taxpayer at the project facility
during the prior calendar year.

(3) The application must be on the form required by the
department which shall include the following:

(i) information required by the department to
document the amount of dry natural gas purchased and used
in the manufacture of petrochemicals or fertilizers at
the project facility;

(ii) information required by the department to
verify that the applicant is a qualified taxpayer; and

(iii) any other information as the department deems
appropriate.

(c) Review and approval.--

(1) The department shall review the applications and
shall issue an approval or disapproval by May 1.

(2) Upon approval, the department shall issue a
certificate stating the amount of tax credit granted for dry

1 natural gas purchased and used in the manufacture of
2 petrochemicals or fertilizers at the project facility in the
3 prior calendar year.

4 (d) Availability of tax credits.--

5 (1) Each fiscal year, \$56,666,668 in tax credits shall
6 be made available to the department in accordance with this
7 subarticle.

8 (2) No more than two qualified taxpayers shall receive a
9 tax credit annually, for a maximum credit of \$6,666,667 each.

10 (3) The department shall issue unallocated tax credits
11 to no more than one qualified taxpayer, notwithstanding the
12 maximum credit limit under paragraph (2), if the qualified
13 taxpayer:

14 (i) has made a total capital investment of at least
15 \$1,000,000,000 in order to construct the project facility
16 and place the project facility into service in this
17 Commonwealth;

18 (ii) has created a minimum aggregate total of 1,800
19 new jobs and permanent jobs; and

20 (iii) has satisfied all other eligibility
21 requirements for a qualified taxpayer under this
22 subarticle.

23 (4) For purposes of paragraph (3), the term "unallocated
24 tax credits" means the difference between tax credits
25 authorized under paragraph (1) and approved under paragraph
26 (2).

27 Section 1714-L. Use of tax credits.

28 (a) Initial use.--Prior to sale or assignment of a tax
29 credit under section 1716-L, a qualified taxpayer must first use
30 a tax credit against the qualified tax liability incurred in the

1 taxable year for which the tax credit was approved.

2 (b) Eligibility.--The tax credit may be applied against up
3 to 20% of the qualified taxpayer's qualified tax liabilities
4 incurred in the taxable year for which the tax credit was
5 approved.

6 (c) Limit.--A qualified taxpayer that has been granted a tax
7 credit under this subarticle shall be ineligible for any other
8 tax credit provided under this act.

9 Section 1715-L. Carryover, carryback and refund.

10 A tax credit cannot be carried back, carried forward or be
11 used to obtain a refund.

12 Section 1716-L. Sale or assignment.

13 (a) Authorization.--If the qualified taxpayer holds a tax
14 credit through the end of the calendar year in which the tax
15 credit was granted, the qualified taxpayer may sell or assign a
16 tax credit, in whole or in part, provided the sale is effective
17 by the close of the following calendar year.

18 (b) Application.--

19 (1) To sell or assign a tax credit, a qualified taxpayer
20 must file an application for the sale or assignment of the
21 tax credit with the department. The application must be on a
22 form required by the department.

23 (2) To approve an application, the department must
24 receive:

25 (i) a finding from the department that the applicant
26 has:

27 (A) filed all required State tax reports and
28 returns for all applicable taxable years; and

29 (B) paid any balance of State tax due as
30 determined by assessment or determination by the

department and not under timely appeal; and
(ii) for a sale or assignment to a company that is not an upstream company or downstream company, a certification from the qualified taxpayer that the qualified taxpayer has offered to sell or assign the tax credit:

(A) exclusively to a downstream company for a period of 30 days following approval of the tax credit under section 1713-L(c); and

(B) to an upstream company or downstream company for a period of 30 days following expiration of the period under clause (A).

(c) Approval.--Upon approval by the department, a qualified taxpayer may sell or assign, in whole or in part, a tax credit.

Section 1717-L. Purchasers and assignees.

(a) Time.--The purchaser or assignee under section 1716-L must claim the tax credit in the calendar year in which the purchase or assignment is made.

(b) Amount.--The amount of the tax credit that a purchaser or assignee under section 1716-L may use against any one qualified tax liability may not exceed 50% of any of the qualified tax liabilities of the purchaser or assignee for the taxable year.

(c) Resale and assignment.--

(1) A purchaser under section 1716-L may not sell or assign the purchased tax credit.

(2) An assignee under section 1716-L may not sell or assign the assigned tax credit.

(d) Notice.--The purchaser or assignee under section 1716-L shall notify the department of the seller or assignor of the tax

1 credit in compliance with procedures specified by the
2 department.

3 Section 1718-L. Pass-through entity.

4 (a) Election.--If a pass-through entity has an unused tax
5 credit, the pass-through entity may elect, in writing, according
6 to procedures established by the department, to transfer all or
7 a portion of the tax credit to shareholders, members or partners
8 in proportion to the share of the entity's distributive income
9 to which the shareholders, members or partners are entitled.

10 (b) Limitation.--The same unused tax credit under subsection
11 (a) may not be claimed by:

12 (1) the pass-through entity; and

13 (2) a shareholder, member or partner of the pass-through
14 entity.

15 (c) Amount.--The amount of the tax credit that a transferee
16 under subsection (a) may use against any one qualified tax
17 liability may not exceed 20% of any qualified tax liabilities
18 for the taxable year.

19 (d) Time.--A transferee under subsection (a) must claim the
20 tax credit in the calendar year in which the transfer is made.

21 (e) Sale and assignment.--A transferee under subsection (a)
22 may not sell or assign the tax credit.

23 Section 1719-L. (Reserved).

24 Section 1720-L. Administration.

25 (a) Audits and assessments.--

26 (1) The department may audit a taxpayer awarded a tax
27 credit to ascertain the validity of the amount awarded.

28 (2) The department may issue an assessment against a
29 taxpayer for an improperly issued tax credit. The procedures,
30 collection, enforcement and appeals of an assessment made

1 under this section shall be governed by Article II.

2 (b) Guidelines and regulations.--The department shall
3 develop written guidelines for the implementation of this
4 subarticle. The guidelines shall be in effect until the
5 department promulgates regulations for the implementation of the
6 provisions of this subarticle.

7 Section 1721-L. Reports to General Assembly.

8 (a) Annual report.--No later than the year after which tax
9 credits are first awarded under this subarticle, and each
10 October 1 thereafter, the department shall submit a report on
11 the tax credit provided under this subarticle to the chairperson
12 and minority chairperson of the Appropriations Committee of the
13 Senate, the chairperson and minority chairperson of the
14 Appropriations Committee of the House of Representatives, the
15 chairperson and minority chairperson of the Finance Committee of
16 the Senate and the chairperson and minority chairperson of the
17 Finance Committee of the House of Representatives. The report
18 must include the names of the qualified taxpayers utilizing the
19 tax credit as of the date of the report and the amount of tax
20 credits approved for, utilized by or sold or assigned by a
21 qualified taxpayer.

22 (b) Reconciliation report.--On May 1 of the year which is 10
23 years after the year in which tax credits are first awarded
24 under this subarticle, the department shall submit to the
25 Secretary of the Senate and the Chief Clerk of the House of
26 Representatives a reconciliation report on the effectiveness of
27 this subarticle. The report shall include, to the extent
28 possible, the following information for the preceding 10 years:

29 (1) The name and business address of all qualified
30 taxpayers who have been granted tax credits under this

1 subarticle.

2 (2) The amount of tax credits granted to each qualified
3 taxpayer.

4 (3) The total number of jobs created by the qualified
5 taxpayer, upstream company and downstream company and any
6 companies that provide goods, utilities or other services
7 that support the business operations of the qualified
8 taxpayer, upstream company and downstream company. This
9 paragraph includes the average annual salary and hourly wage
10 information.

11 (4) The amount of taxes paid under Article II by the
12 qualified taxpayer, upstream company and downstream company
13 and any companies that provide goods, utilities or other
14 services that support the business operations of the
15 qualified taxpayer, upstream company and downstream company.

16 (5) The amount of taxes withheld from employees or paid
17 by members, partners or shareholders of the pass-through
18 entities under Article III of the qualified taxpayer,
19 upstream company and downstream company and any companies
20 that provide goods, utilities or other services that support
21 the business operations of the qualified taxpayer, upstream
22 company and downstream company.

23 (6) The amount of taxes paid under Article IV by the
24 qualified taxpayer, upstream company and downstream company
25 and any companies that provide goods, utilities or other
26 services that support the business operations of the
27 qualified taxpayer, upstream company and downstream company.

28 (7) The amount of taxes paid under Article XI by the
29 qualified taxpayer, upstream company and downstream company
30 and any companies that provide goods, utilities or other

1 services that support the business operations of the
2 qualified taxpayer, upstream company and downstream company.

3 (8) The amount of any other State or local taxes paid by
4 the qualified taxpayer, upstream company and downstream
5 company and any companies that provide goods, utilities or
6 other services that support the business operations of the
7 qualified taxpayer, upstream company and downstream company.

8 (9) Any other information pertaining to the economic
9 impact of this subarticle on this Commonwealth.

10 (c) Reduction.--If the reconciliation report issued under
11 subsection (b) reveals that the total amount of the tax credits
12 granted under this subarticle exceeds the total amount of tax
13 revenue reported under subsection (b)(4), (5), (6), (7), (8) and
14 (9), the report must include any recommendation for changes in
15 the calculation of the credit.

16 (d) Publication.--The reports required by this section shall
17 be a public record as defined under section 102 of the act of
18 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law,
19 and shall be available electronically on the publicly accessible
20 Internet website of the department. The reports required under
21 this section may not contain "confidential proprietary
22 information" as defined in section 102 of the Right-to-Know Law.

23 Section 1722-L. Applicability.

24 This subarticle shall apply to the purchase of dry natural
25 gas produced in this Commonwealth for the period beginning
26 January 1, 2024, and ending December 31, 2049.

27 Section 1723-L. Expiration.

28 This subarticle shall expire December 31, 2050.]

29 Section 2. Article XVII-L of the act is amended by adding a
30 subarticle to read:

1 SUBARTICLE B.1

2 RELIABLE ENERGY INVESTMENT TAX CREDIT

3 Section 1711.1-L. Definitions.

4 The following words and phrases when used in this subarticle
5 shall have the meanings given to them in this section unless the
6 context clearly indicates otherwise:

7 "Affiliate." An entity or disregarded entity for Federal
8 income tax purposes as defined in 26 CFR 1.1502-77(b)(2) and (3)
9 (iii) (relating to agent for the group), that is included in the
10 filing of a Federal consolidated income tax return of an
11 affiliated group as the term is defined in 26 U.S.C. § 1504(a)
12 (1) (relating to definitions).

13 "Capital investment." The amount of money spent and recorded
14 in capital accounts by a taxpayer in the development, restart,
15 expansion or modification of a reliable energy project facility,
16 including direct and indirect costs, up to the commercial
17 operation date of the reliable clean energy project facility, as
18 reflected in the taxpayer's books of account consistent with
19 generally accepted accounting principles. The term shall not
20 include money spent after a reliable clean energy project
21 facility achieves commercial operation.

22 "Clean energy." Electric energy generation that emits carbon
23 dioxide equivalent emissions of less than 100 pounds per
24 megawatt-hour.

25 "Clean energy emissions threshold." One hundred pounds of
26 carbon dioxide equivalent per megawatt-hour of electricity
27 generated.

28 "Commercial operation." The condition of a reliable energy
29 generation facility or reliable energy storage facility when the
30 facility has satisfied applicable testing and is generating or

discharging electric power to earn revenue on a reasonably continuous basis.

"Commercial operation date." The date on which commercial operation of a reliable energy generation facility or reliable energy storage facility commences.

"Commission." The Pennsylvania Public Utility Commission or a successor agency.

"Company." A corporation, partnership, limited liability company, limited liability partnership, business trust, unincorporated joint venture or other business entity doing business within this Commonwealth.

"Department." The Department of Revenue of the Commonwealth.

"Electric distribution company." As defined in 66 Pa.C.S. § 2803 (relating to definitions).

"Full-time equivalent job." A unit of measurement that represents the number of full-time hours a company's employees work determined as the quotient obtained by dividing the total number of hours for which employees were compensated for employment over the preceding 12-month period by 2,080.

"Maximum facility output." The maximum net electrical power output in megawatts, after supply of any parasitic or host facility loads, that a reliable energy project facility or reliable energy storage facility is expected to produce or store. For an expansion or modification of an existing facility, only the incremental clean energy output that results from the expansion or modification shall be considered. The term does not include nominal electrical power output. To calculate maximum facility output, a new electric generating facility directly connected to a new reliable energy storage facility may elect to subtract the maximum facility output of the reliable energy

storage facility from the maximum net electrical power output,
after supply of any parasitic or host facility loads, that the
facility is expected to produce or store.

"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.

"Permanent job." A full-time equivalent job to support the
ongoing commercial operation of a reliable energy project
facility.

"Project index price." The average of the day-ahead
locational marginal prices at the PJM pricing node nearest to
the reliable energy project facility for each hour of the three
years prior to the commercial operation date.

"Qualified reliable energy tax credit." A tax credit granted
under this subarticle.

"Qualified reliable energy tax credit rate." One hundred
percent, unless the project index price is greater than \$65 per
megawatt-hour, in which case the qualified reliable energy tax
credit rate shall be reduced by 1.5% for each \$1 per megawatt-
hour that the project index price is greater than \$65 per
megawatt-hour, to a minimum of ten percent.

"Qualified reliable energy taxpayer." The following apply:

(1) A company that:

(i) has made a capital investment to construct a
reliable energy project facility;

(ii) owns and operates a reliable energy project
facility; and

(iii) otherwise satisfies the requirements of this

1 subarticle.

2 (2) The term includes all affiliates of the company.

3 "Qualified tax liability." The liability of the qualified
4 reliable energy taxpayer and affiliates for taxes imposed under
5 Articles III, IV, VII, VIII, IX, XI and XV. The term does not
6 include tax withheld under section 316.1.

7 "Reliable energy generation facility." A new electric
8 generating facility or an expansion or modification of an
9 electric generating facility located in this Commonwealth that:

10 (1) Is owned by a qualified reliable energy taxpayer.

11 (2) Required a capital investment of at least
12 \$50,000,000 to place into commercial operation.

13 (3) Required at least 10,000 work hours to place into
14 commercial operation or is a surplus interconnection
15 facility.

16 (4) For a new electric generating facility, has a
17 maximum facility output of at least 100 megawatts, or for an
18 expansion or modification of an electric generating facility,
19 an additional maximum facility output of at least 100
20 megawatts.

21 (5) Is projected to generate an amount of clean energy
22 in each full average operating year that is greater than the
23 product of 60% of its maximum facility output, multiplied by
24 8,760 hours. If the facility is a surplus interconnection
25 facility, the facility is projected to generate an amount of
26 clean energy in each full average operating year that is
27 greater than 60% of the surplus portion of the existing
28 generating facility's interconnection service established in
29 a large generator interconnection agreement.

30 (6) Delivers the electricity it generates to a

1 distribution system of an electric distribution company or a
2 transmission system operated by a regional transmission
3 organization.

4 (7) If the electric generating facility is being
5 restarted, the first substantial step of the restart
6 commenced after the effective date of this section.

7 "Reliable energy storage facility." A facility located in
8 this Commonwealth employing technology, including any
9 electrochemical, thermal or electromechanical technology, or any
10 technology defined as "energy storage technology" in 26 U.S.C. §
11 48E (relating to clean electricity investment credit) or 26 CFR
12 1.48E-2(g)(6) (relating to qualified investments in qualified
13 facilities and EST for purposes of section 48E) as of the
14 effective date of this section, that is capable of absorbing and
15 storing energy for use at a later time that:

16 (1) Is owned by a qualified reliable energy taxpayer.

17 (2) Required a capital investment of at least
18 \$50,000,000 to place into commercial operation.

19 (3) Required at least 10,000 work hours to place into
20 commercial operation.

21 (4) Has a maximum facility output of at least 10
22 megawatts.

23 (5) For a reliable energy storage project facility that
24 applied for interconnection with PJM Interconnection, LLC
25 after the effective date of this subsection, the system has a
26 technical capacity to deliver its maximum facility output in
27 a minimum duration of no less than four hours, for a reliable
28 energy storage project that applied for interconnection with
29 PJM Interconnection, LLC prior to the effective date of this
30 subsection but has not yet received an interconnection

1 agreement as of that date, the system is projected to possess
2 a rated technical capacity to deliver its maximum facility
3 output in a minimum duration of no less than one hour.

4 (6) Delivers the electricity it discharges to a
5 distribution system of an electric distribution company or a
6 transmission system operated by a regional transmission
7 organization.

8 "Restart." The process of reactivating a reliable energy
9 generation facility that has not generated significant amounts
10 of electricity for a period of at least 365 days.

11 "Surplus interconnection facility." A new electric
12 generating facility that generates clean energy, shares
13 interconnection infrastructure and a single point of
14 interconnection with an existing electric generating facility,
15 and exclusively uses the surplus portion of the existing
16 generating facility's interconnection service established in a
17 large generator interconnection agreement. The surplus portion
18 shall be determined such that, if the surplus interconnection
19 service were utilized, the total amount of interconnection
20 service at the point of interconnection would remain the same.

21 "Work hour." One hour of compensation during the
22 construction or the restart of a reliable energy generation
23 facility or reliable energy storage facility.

24 Section 1712.1-L. Amount, claiming and audit of qualified
25 reliable energy tax credit.

26 (a) Amount of qualified reliable energy tax credits.--

27 (1) Qualified reliable energy tax credits shall be made
28 available in accordance with this subarticle.

29 (2) A qualified reliable energy taxpayer shall receive
30 qualified reliable energy tax credits equal to the product of

1 the qualified reliable energy tax credit rate multiplied by
2 \$300,000 per new or additional megawatt of maximum facility
3 output, up to a maximum of \$100,000,000.

4 (3) Applications for qualified reliable energy tax
5 credits shall continue to be made available by the department
6 unabated annually from the period beginning January 1, 2026,
7 and ending December 31, 2036. A reliable energy generation
8 facility or reliable energy storage facility that has
9 commenced construction prior to December 31, 2036, shall be
10 eligible for qualified reliable energy tax credits.

11 (b) Application.--

12 (1) An applicant for a qualified reliable energy tax
13 credit shall complete a form as prescribed by the department
14 that shall include:

15 (i) A description of the reliable energy facility or
16 reliable energy storage facility.

17 (ii) Verification that the taxpayer has made or will
18 make a capital investment greater than \$50,000,000 prior
19 to the placing in service of the reliable energy
20 generation facility or reliable energy storage facility.

21 (iii) An estimate of the total capital investment
22 that will be made.

23 (iv) The expected commercial operation date of the
24 reliable energy project facility or reliable energy
25 storage facility.

26 (1.1) If the applicant deems the form under paragraph
27 (1) to contain confidential proprietary information, the form
28 may be submitted on a confidential basis, shall be treated
29 and maintained by the department as confidential proprietary
30 information and is exempt from access under the act of

1 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know
2 Law.

3 (2) The department shall review applications submitted
4 and issue a written approval or disapproval, stating the
5 reasons for the department's decision, within 60 days of the
6 application's submission. The department's decision on the
7 application may be appealed in the same manner as an
8 assessment issued under section 407.1.

9 (3) Upon approval of an application, the department
10 shall issue a certificate confirming that the applicant is
11 eligible for a qualified reliable energy tax credit,
12 conditioned on completion of a reliable energy generation
13 facility or reliable energy storage facility that becomes
14 commercially operational and satisfies the requirements of
15 this subarticle. The qualified reliable energy taxpayer shall
16 retain tax credit eligibility, as determined under this
17 section, until the qualified reliable energy taxpayer has
18 received the qualified reliable energy tax credit.

19 (c) Claiming qualified reliable energy tax credits.--

20 (1) A qualified reliable energy taxpayer shall complete
21 a form as prescribed by the department verifying that the
22 taxpayer has met the requirements of a qualified reliable
23 energy taxpayer and may claim qualified reliable energy tax
24 credits. The qualified reliable energy taxpayer shall include
25 on the form a calculation of the applicable project index
26 price and verification that electricity produced was below
27 the clean energy emissions threshold. Acceptable forms of
28 verification with respect to the clean energy emissions
29 threshold shall include, but not be limited to, documented
30 inclusion of the type or category of facility in Table 1 of

1 Revenue Procedure 2025-14, published by the Internal Revenue
2 Service in 2025-7 Internal Revenue Bulletin 770-771 or any
3 successor table published in the Internal Revenue Bulletin.

4 (2) The qualified reliable energy taxpayer shall attach
5 the form to the tax return on which the qualified reliable
6 energy taxpayer is claiming to offset a qualified tax
7 liability with qualified reliable energy tax credits.

8 (d) Audit of qualified reliable energy tax credits
9 claimed.--

10 (1) The department shall have the right to audit all
11 qualified reliable energy credits claimed.

12 (2) If the department denies a qualified reliable energy
13 tax credit, the department shall issue an assessment in the
14 same manner as issued under section 407.1. The assessment may
15 be appealed in the same manner as an assessment issued under
16 section 407.1.

17 Section 1713.1-L. Year of use and carryover.

18 (a) Year of use.--A qualified reliable energy taxpayer shall
19 claim qualified reliable energy tax credits on the tax return
20 filed in the year immediately following the year in which the
21 reliable energy generation facility or reliable energy storage
22 facility is placed into commercial operation.

23 (b) Use.--A qualified reliable energy taxpayer may utilize
24 up to one-third of the qualified reliable energy tax credits in
25 the taxable year in which the credits are received and up to the
26 same amount in each subsequent taxable year.

27 (c) Carryover.--A qualified reliable energy tax credit not
28 fully utilized in the taxable year in which the tax credit was
29 received may be carried forward for not more than 10 consecutive
30 taxable years but shall not be carried back or be used to obtain

1 a tax refund.

2 Section 1714.1-L. Sale or assignment.

3 (a) Authorization required.--

4 (1) To sell or assign a tax credit, a qualified taxpayer
5 must file an application for the sale or assignment of the
6 tax credit with the department. The application must be on a
7 form required by the department.

8 (2) The department shall approve an application for the
9 sale or assignment of a qualified reliable energy tax credit
10 if the applicant has filed each State tax report and return
11 required by law for each applicable taxable year.

12 (b) Approval.--Upon approval by the department of an
13 application under subsection (a), a qualified reliable energy
14 taxpayer that holds a qualified reliable energy tax credit
15 through the end of the calendar year in which the tax credit was
16 received may sell or assign the tax credit, in whole or in part,
17 if the sale is effective by the close of the following calendar
18 year.

19 Section 1715.1-L. Purchasers, transferees and assignees.

20 (a) Time.--A purchaser, transferee or assignee under this
21 subarticle shall claim the qualified reliable energy tax credit
22 no later than 12 months following the end of the calendar year
23 in which the purchase, transfer or assignment is made.

24 (b) Amount.--The amount of the qualified reliable energy tax
25 credit that a purchaser, transferee or assignee under this
26 section may use against any one qualified tax liability may not
27 exceed 100% of the qualified tax liability of the purchaser,
28 transferee or assignee for the taxable year.

29 (c) Resale and assignment.--

30 (1) A purchaser under this section may not sell,

1 transfer or assign the purchased qualified reliable energy
2 tax credit.

3 (2) An assignee or transferee under this section may not
4 sell, transfer or assign the assigned or transferred
5 qualified reliable energy tax credit.

6 (d) Notice.--The purchaser, transferee or assignee under
7 this section shall notify the department of the seller,
8 transferor or assignor of the qualified reliable energy tax
9 credit in compliance with procedures specified by the
10 department.

11 Section 1716.1-L. Pass-through entity.

12 (a) Election.--If a pass-through entity has an unused
13 qualified reliable energy tax credit, the pass-through entity
14 may elect, in writing, according to procedures established by
15 the department, to transfer all or a portion of the tax credit
16 to shareholders, members or partners in proportion to the share
17 of the entity's distributive income to which the shareholders,
18 members or partners are entitled.

19 (b) Limitation.--The same unused qualified reliable energy
20 tax credit under subsection (a) may not be claimed by both:

21 (1) the pass-through entity; and

22 (2) a shareholder, member or partner of the pass-through
23 entity.

24 (c) Amount.--The amount of the qualified reliable energy tax
25 credit that a transferee under subsection (a) may use against
26 any one qualified tax liability may not exceed 100% of the
27 qualified tax liabilities for the taxable year.

28 (d) Time.--A transferee under subsection (a) must claim the
29 qualified reliable energy tax credit not later than 12 months
30 following the calendar year in which the transfer is made.

1 (e) Sale and assignment.--A transferee under subsection (a)
2 may sell or assign the qualified reliable energy tax credit.
3 Section 1717.1-L. Guidelines and regulations.

4 The department and the Department of Community and Economic
5 Development shall jointly develop written guidelines for the
6 implementation of this subarticle. The guidelines shall be in
7 effect until the department promulgates regulations for the
8 implementation of this subarticle.

9 Section 1718.1-L. Reports to General Assembly.

10 (a) Annual report.--No later than the calendar year after
11 which qualified reliable energy tax credits are first awarded
12 under this subarticle, and each October 1 thereafter up to
13 October 1, 2035, the department shall submit a report on the
14 qualified reliable energy tax credits provided for under this
15 subarticle to the chairperson and minority chairperson of the
16 Appropriations Committee of the Senate, the chairperson and
17 minority chairperson of the Finance Committee of the Senate, the
18 chairperson and minority chairperson of the Appropriations
19 Committee of the House of Representatives and the chairperson
20 and minority chairperson of the Finance Committee of the House
21 of Representatives. The report shall include the names of the
22 qualified reliable energy taxpayers utilizing qualified reliable
23 energy tax credits as of the date of the report and the amount
24 of tax credits approved for, utilized by or sold, transferred or
25 assigned by all qualified reliable energy taxpayers.

26 (b) Five-year report.--On May 1, 2030, and May 1, 2035, the
27 department and the commission shall jointly submit to the
28 Secretary of the Senate and the Chief Clerk of the House of
29 Representatives a report on the effectiveness of this
30 subarticle. The report shall include, to the extent possible,

1 the following information for the preceding five calendar years:

2 (1) The aggregate amount of qualified reliable energy
3 tax credits granted to all qualified reliable energy
4 taxpayers up to the date of the report.

5 (2) The total number of work hours and permanent jobs
6 created by the qualified reliable energy taxpayers up to the
7 date of the report.

8 (3) The total number of megawatt-hours produced by each
9 reliable energy project facility up to the date of the
10 report.

11 (4) The total amount of capital investment made by each
12 qualified reliable energy taxpayer up to the date of the
13 report.

14 (5) Recommendations for changes to this subarticle to
15 promote increased use of qualified reliable energy tax
16 credits.

17 (6) Any other information pertaining to the economic
18 impact of this subarticle on this Commonwealth.

19 (c) Publication.--The reports required by this section shall
20 be a public record as defined under section 102 of the act of
21 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law,
22 and shall be posted electronically on the department's publicly
23 accessible Internet website. The reports required under this
24 section may not contain confidential proprietary information as
25 defined in section 102 of the Right-to-Know Law.

26 Section 3. Subarticle C of Article XVII-L of the act is
27 repealed:

28 [SUBARTICLE C

29 PENNSYLVANIA MILK PROCESSING

30 Section 1731-L. Definitions.

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

4 "Gallon." A United States liquid gallon equal to a volume of
5 231 cubic inches and equal to 3.785411784 liters or 0.13368
6 cubic feet, where volumetric measurements made at ambient
7 flowing conditions are typically adjusted for composition and to
8 standard conditions using established industry standard
9 practices.

10 "Milk." The lacteal secretion, practically free from
11 colostrum, obtained by the complete milking of one or more
12 healthy cows.

13 "Project facility." A facility located in this Commonwealth
14 which is owned and operated by a qualified taxpayer and which
15 utilizes milk purchased from sources within this Commonwealth
16 and processed by a qualified taxpayer at the project facility.

17 "Qualified taxpayer." A company that satisfies all of the
18 following:

19 (1) Purchases and processes milk produced in this
20 Commonwealth at a project facility in this Commonwealth that
21 has been placed in service on or after the effective date of
22 this section.

23 (2) Has made a capital investment of at least
24 \$500,000,000 in order to construct the project facility and
25 place the project facility into service in this Commonwealth.

26 (3) Has created a minimum aggregate total of 1,200 new
27 jobs and permanent jobs.

28 (4) Has made good faith efforts to recruit and employ,
29 and to encourage any contractors or subcontractors to recruit
30 and employ, workers from the local labor market for

1 employment during the construction of the project facility.

2 (5) Has demonstrated that the new jobs created at the
3 project facility or for work covered by Subarticle F are paid
4 at least the prevailing minimum wage and benefit rates for
5 each craft or classification as determined by the Department
6 of Labor and Industry.

7 (6) The construction work to place a project facility
8 into service shall be performed subject to the act of March
9 3, 1978 (P.L.6, No.3), known as the Steel Products
10 Procurement Act.

11 Section 1732-L. Eligibility.

12 In order to be eligible to receive a tax credit, a company
13 shall demonstrate the following:

14 (1) The company meets the requirements of a qualified
15 taxpayer.

16 (2) Confirmation that the company has filed all required
17 State tax reports and returns for all applicable taxable
18 years and paid any balance of State tax due as determined by
19 assessment or determination by the department and not under
20 timely appeal.

21 Section 1733-L. Application and approval of tax credit.

22 (a) Rate.--The tax credit shall be equal to \$0.05 per gallon
23 of milk purchased and produced from sources exclusively within
24 this Commonwealth and processed at the project facility by a
25 qualified taxpayer.

26 (b) Application.--

27 (1) A qualified taxpayer may apply to the department for
28 a tax credit under this section.

29 (2) The application must be submitted to the department
30 by March 1 for the tax credit claimed for milk purchased and

1 processed by the qualified taxpayer at the project facility
2 during the prior calendar year.

3 (3) The application must be on the form required by the
4 department which shall include the following:

5 (i) information required by the department to
6 document the amount of milk purchased and processed at
7 the project facility;

8 (ii) information required by the department to
9 verify that the applicant is a qualified taxpayer; and

10 (iii) any other information as the department deems
11 appropriate.

12 (c) Review and approval.--

13 (1) The department shall review the applications and
14 shall issue an approval or disapproval by May 1.

15 (2) Upon approval, the department shall issue a
16 certificate stating the amount of tax credit granted for milk
17 purchased and processed at the project facility in the prior
18 calendar year.

19 (d) Availability of tax credits.--

20 (1) Each fiscal year, \$15,000,000 in tax credits shall
21 be made available to the department in accordance with this
22 subarticle.

23 (2) The department shall issue up to \$15,000,000 in tax
24 credits in a fiscal year to the qualified taxpayer which
25 first meets the qualifications to receive a tax credit under
26 this subarticle.

27 (3) An amount under paragraph (1) which remains
28 unallocated under paragraph (2) shall be issued to the
29 qualified taxpayer which next meets the qualifications to
30 receive a tax credit under this subarticle.

1 (4) The total aggregate amount of tax credits awarded to
2 a qualified taxpayer under this subarticle may not exceed 25%
3 of the capital investment made to construct a project
4 facility and place the project facility into service in this
5 Commonwealth.

6 Section 1734-L. Use of tax credits.

7 (a) Initial use.--Prior to sale or assignment of a tax
8 credit under section 1736-L, a qualified taxpayer must first use
9 a tax credit against the qualified tax liability incurred in the
10 taxable year for which the tax credit was approved.

11 (b) Eligibility.--The tax credit may be applied against up
12 to 20% of a qualified taxpayer's qualified tax liabilities
13 incurred in the taxable year for which the tax credit was
14 approved.

15 (c) Limit.--A qualified taxpayer that has been granted a tax
16 credit under this subarticle shall be ineligible for any other
17 tax credit provided under this act or a tax benefit as defined
18 in section 1701-A.1.

19 Section 1735-L. Carryover, carryback and refund.

20 A tax credit cannot be carried back, carried forward or be
21 used to obtain a refund.

22 Section 1736-L. Sale or assignment.

23 (a) Authorization.--If the qualified taxpayer holds a tax
24 credit through the end of the calendar year in which the tax
25 credit was granted, the qualified taxpayer may sell or assign a
26 tax credit, in whole or in part, provided the sale is effective
27 by the close of the following calendar year.

28 (b) Application.--

29 (1) To sell or assign a tax credit, a qualified taxpayer
30 must file an application for the sale or assignment of the

1 tax credit with the department. The application must be on a
2 form required by the department.

3 (2) To approve an application, the department must
4 receive:

5 (i) a finding from the department that the applicant
6 has:

7 (A) filed all required State tax reports and
8 returns for all applicable taxable years; and

9 (B) paid any balance of State tax due as
10 determined by assessment or determination by the
11 department and not under timely appeal; and

12 (ii) for a sale or assignment to a company that is
13 not an upstream company or downstream company, a
14 certification from the qualified taxpayer that the
15 qualified taxpayer has offered to sell or assign the tax
16 credit:

17 (A) exclusively to a downstream company for a
18 period of 30 days following approval of the tax
19 credit under section 1733-L(c); and

20 (B) to an upstream company or downstream company
21 for a period of 30 days following expiration of the
22 period under clause (A).

23 (c) Approval.--Upon approval by the department, a qualified
24 taxpayer may sell or assign, in whole or in part, a tax credit.

25 Section 1737-L. Purchasers and assignees.

26 (a) Time.--The purchaser or assignee under section 1736-L
27 must claim the tax credit in the calendar year in which the
28 purchase or assignment is made.

29 (b) Amount.--The amount of the tax credit that a purchaser
30 or assignee under section 1736-L may use against any one

1 qualified tax liability may not exceed 50% of any of the
2 qualified tax liabilities of the purchaser or assignee for the
3 taxable year.

4 (c) Resale and assignment.--

5 (1) A purchaser under section 1736-L may not sell or
6 assign the purchased tax credit.

7 (2) An assignee under section 1736-L may not sell or
8 assign the assigned tax credit.

9 (d) Notice.--The purchaser or assignee under section 1736-L
10 shall notify the department of the seller or assignor of the tax
11 credit in compliance with procedures specified by the
12 department.

13 Section 1738-L. Pass-through entity.

14 (a) Election.--If a pass-through entity has an unused tax
15 credit, the pass-through entity may elect, in writing, according
16 to procedures established by the department, to transfer all or
17 a portion of the tax credit to shareholders, members or partners
18 in proportion to the share of the entity's distributive income
19 to which the shareholders, members or partners are entitled.

20 (b) Limitation.--The same unused tax credit under subsection
21 (a) may not be claimed by:

22 (1) the pass-through entity; and

23 (2) a shareholder, member or partner of the pass-through
24 entity.

25 (c) Amount.--The amount of the tax credit that a transferee
26 under subsection (a) may use against any one qualified tax
27 liability may not exceed 20% of any qualified tax liabilities
28 for the taxable year.

29 (d) Time.--A transferee under subsection (a) must claim the
30 tax credit in the calendar year in which the transfer is made.

1 (e) Sale and assignment.--A transferee under subsection (a)
2 may not sell or assign the tax credit.

3 Section 1739-L. (Reserved).

4 Section 1740-L. Guidelines and regulations.

5 The department shall develop written guidelines for the
6 implementation of this subarticle. The guidelines shall be in
7 effect until the department promulgates regulations for the
8 implementation of the provisions of this subarticle.

9 Section 1741-L. Report to General Assembly.

10 (a) Report.--

11 (1) No later than the year after which tax credits are
12 first awarded under this subarticle, and each October 1
13 thereafter, the department shall submit a report to the
14 General Assembly summarizing the effectiveness of the tax
15 credit. The report shall include the names of all qualified
16 taxpayers utilizing the tax credit as of the date of the
17 report and the amount of tax credits approved for, utilized
18 by or sold or assigned by each qualified taxpayer. The report
19 shall be submitted to the following:

20 (i) The chair and minority chair of the Agriculture
21 and Rural Affairs Committee of the Senate.

22 (ii) The chair and minority chair of the Agriculture
23 and Rural Affairs Committee of the House of
24 Representatives.

25 (iii) The chair and minority chair of the Finance
26 Committee of the Senate.

27 (iv) The chair and minority chair of the Finance
28 Committee of the House of Representatives.

29 (2) In addition to the information required under
30 paragraph (1), the report shall include the following

information in a manner that is separated by geographic location within this Commonwealth:

(i) The amount of tax credits claimed by qualified taxpayers during the fiscal year.

(ii) The total number of new jobs and permanent jobs created by qualified taxpayers during the fiscal year, including the duration of the jobs.

(b) Public information.--Notwithstanding any law providing for the confidentiality of tax records, the information in the report under subsection (a) shall be public information, and all report information shall be posted on the department's publicly accessible Internet website.

Section 1742-L. Applicability.

(a) Duration.--The tax credit under this subarticle shall apply to the purchase and processing of milk produced in this Commonwealth for a period of eight years from the date the first project facility is placed into service.

(b) Limitation.--The total aggregate amount of tax credits awarded by the department under this subarticle may not exceed \$120,000,000.]

Section 4. Article XVII-L of the act is amended by adding a subarticle to read:

SUBARTICLE C.1

PENNSYLVANIA MILK PROCESSING

Section 1731-L. 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:

"Department." The Department of Community and Economic Development of the Commonwealth.

1 "Downstream company." A company that purchases Class I,
2 Class II, Class III or Class IV milk products as defined in the
3 Federal Milk Marketing Order Program produced by a qualified
4 taxpayer.

5 "Federal Milk Marketing Order Program." The Federal Milk
6 Marketing Order Program established under 7 U.S.C. § 608c
7 (relating to orders) under the Agricultural Marketing Agreement
8 Act of 1937 (Public Law 75-137, 50 Stat. 246).

9 "Gallon." A United States liquid gallon equal to a volume of
10 231 cubic inches and equal to 3.785411784 liters or 0.13368
11 cubic feet, where volumetric measurements made at ambient
12 flowing conditions are typically adjusted for composition and to
13 standard conditions using established industry standard
14 practices.

15 "Milk." The lacteal secretion, practically free from
16 colostrum, obtained by the complete milking of one or more
17 healthy cows.

18 "Organic dairy." The product of a farm or processing
19 operation that in whole or in part has been certified as organic
20 or in transition to organic by a third party accredited by the
21 United States Department of Agriculture.

22 "Project facility." A facility located in this Commonwealth
23 which is owned and operated by a qualified taxpayer and which
24 utilizes milk purchased from sources within this Commonwealth
25 and processed by a qualified taxpayer at the project facility.

26 "Qualified taxpayer." A company that satisfies all of the
27 following:

- 28 (1) Purchases and processes milk produced in this
29 Commonwealth into a Class I, Class II, Class III or Class IV
30 milk product as defined by the Federal Milk Marketing Order

1 Program at a project facility in this Commonwealth that has
2 been placed in service on or after the effective date of this
3 section.

4 (2) Has made a capital investment of at least
5 \$50,000,000 in order to construct, expand or renovate the
6 project facility and place the project facility into service
7 in this Commonwealth or has created a minimum aggregate total
8 of 100 new jobs or permanent jobs.

9 (3) Has made good faith efforts to recruit and employ,
10 and to encourage contractors or subcontractors to recruit and
11 employ, workers from the local labor market for employment
12 during the construction of the project facility.

13 (4) Has demonstrated that the new jobs created at the
14 project facility or for work covered by Subarticle F are paid
15 at least the prevailing minimum wage and benefit rates for
16 each craft or classification as determined by the Department
17 of Labor and Industry.

18 (5) Performs the construction work to place a project
19 facility into service subject to the act of March 3, 1978
20 (P.L.6, No.3), known as the Steel Products Procurement Act.

21 Section 1732-L. Eligibility.

22 In order to be eligible to receive a tax credit under this
23 subarticle, a company shall demonstrate the following:

24 (1) The company meets the requirements of a qualified
25 taxpayer.

26 (2) Confirmation that the company has filed all required
27 State tax reports and returns for all applicable taxable
28 years and paid any balance of State tax due as determined by
29 assessment or determination by the Department of Revenue and
30 not under timely appeal.

1 Section 1733-L. Application and approval of tax credit.

2 (a) Rate.--The tax credit shall be up to \$0.20 per gallon of
3 milk purchased and produced from sources exclusively within this
4 Commonwealth and processed at the project facility by a
5 qualified taxpayer in excess of purchases as of January 1 of the
6 year in which an application is made.

7 (a.1) Organic dairy.--Any qualifying use of milk in which at
8 least 80% organic dairy is utilized shall be eligible for an
9 additional \$0.10 per gallon of milk in addition to the amount
10 denominated under subsection (a).

11 (b) Application.--

12 (1) A qualified taxpayer may apply to the department for
13 a tax credit under this section.

14 (2) The application must be submitted to the department
15 by March 1 for the tax credit claimed for milk purchased and
16 processed by the qualified taxpayer at the project facility
17 during the prior calendar year.

18 (3) The application must be on the form required by the
19 department which shall include the following:

20 (i) information required by the department to
21 document the amount of milk purchased and processed at
22 the project facility;

23 (ii) information required by the department to
24 verify that the applicant is a qualified taxpayer; and

25 (iii) any other information as the department deems
26 appropriate.

27 (c) Review and approval.--

28 (1) The department shall review the applications and
29 shall issue an approval or disapproval by May 1.

30 (2) Upon approval, the department shall issue a

1 certificate stating the amount of tax credit granted for milk
2 purchased and processed at the project facility in the prior
3 calendar year.

4 (d) Availability of tax credits.--

5 (1) Each fiscal year, up to \$15,000,000 in tax credits
6 shall be made available to the department in accordance with
7 this subarticle.

8 (2) The department shall issue up to \$15,000,000 in tax
9 credits in a fiscal year to the qualified taxpayers which
10 meet the qualifications to receive a tax credit under this
11 subarticle.

12 (3) The total aggregate amount of tax credits awarded to
13 a qualified taxpayer under this subarticle may not exceed 25%
14 of the capital investment made to construct a project
15 facility and place the project facility into service in this
16 Commonwealth.

17 Section 1734-L. Use of tax credits.

18 (a) Initial use.--Prior to sale or assignment of a tax
19 credit under section 1736-L, a qualified taxpayer must first use
20 a tax credit against the qualified tax liability incurred in the
21 taxable year for which the tax credit was approved.

22 (b) Eligibility.--The tax credit may be applied against up
23 to 20% of a qualified taxpayer's qualified tax liabilities
24 incurred in the taxable year for which the tax credit was
25 approved.

26 (c) Limit.--A qualified taxpayer that has been granted a tax
27 credit under this subarticle shall be ineligible for any other
28 tax credit provided under this act or a tax benefit as defined
29 in section 1701-A.1.

30 Section 1735-L. Carryover, carryback and refund.

1 A tax credit cannot be carried back, carried forward or be
2 used to obtain a refund.

3 Section 1736-L. Sale or assignment.

4 (a) Authorization.--If the qualified taxpayer holds a tax
5 credit through the end of the calendar year in which the tax
6 credit was granted, the qualified taxpayer may sell or assign a
7 tax credit, in whole or in part, provided the sale is effective
8 by the close of the following calendar year.

9 (b) Application.--

10 (1) To sell or assign a tax credit, a qualified taxpayer
11 must file an application for the sale or assignment of the
12 tax credit with the Department of Revenue. The application
13 must be on a form required by the Department of Revenue.

14 (2) To approve an application, the Department of Revenue
15 must:

16 (i) find that the applicant has:

17 (A) filed all required State tax reports and
18 returns for all applicable taxable years; and

19 (B) paid any balance of State tax due as
20 determined by assessment or determination by the
21 Department of Revenue and not under timely appeal;
22 and

23 (ii) for a sale or assignment to a company that is
24 not an upstream company or downstream company, receive a
25 certification from the qualified taxpayer that the
26 qualified taxpayer has offered to sell or assign the tax
27 credit:

28 (A) exclusively to a downstream company for a
29 period of 30 days following approval of the tax
30 credit under section 1733-L(c); and

1 (B) to an upstream company or downstream company
2 for a period of 30 days following expiration of the
3 period under clause (A).

4 (c) Approval.--Upon approval by the Department of Revenue, a
5 qualified taxpayer may sell or assign, in whole or in part, a
6 tax credit.

7 Section 1737-L. Purchasers and assignees.

8 (a) Time.--The purchaser or assignee under section 1736-L
9 must claim the tax credit in the calendar year in which the
10 purchase or assignment is made.

11 (b) Amount.--The amount of the tax credit that a purchaser
12 or assignee under section 1736-L may use against any one
13 qualified tax liability may not exceed 50% of any of the
14 qualified tax liabilities of the purchaser or assignee for the
15 taxable year.

16 (c) Resale and assignment.--

17 (1) A purchaser under section 1736-L may not sell or
18 assign the purchased tax credit.

19 (2) An assignee under section 1736-L may not sell or
20 assign the assigned tax credit.

21 (d) Notice.--The purchaser or assignee under section 1736-L
22 shall notify the Department of Revenue of the seller or assignor
23 of the tax credit in compliance with procedures specified by the
24 Department of Revenue.

25 Section 1738-L. Pass-through entity.

26 (a) Election.--If a pass-through entity has an unused tax
27 credit, the pass-through entity may elect, in writing, according
28 to procedures established by the Department of Revenue, to
29 transfer all or a portion of the tax credit to shareholders,
30 members or partners in proportion to the share of the entity's

distributive income to which the shareholders, members or partners are entitled.

(b) Limitation.--The same unused tax credit under subsection (a) may not be claimed by:

(1) the pass-through entity; and

(2) a shareholder, member or partner of the pass-through entity.

(c) Amount.--The amount of the tax credit that a transferee under subsection (a) may use against any one qualified tax liability may not exceed 20% of any qualified tax liabilities for the taxable year.

(d) Time.--A transferee under subsection (a) must claim the tax credit in the calendar year in which the transfer is made.

(e) Sale and assignment.--A transferee under subsection (a) may not sell or assign the tax credit.

Section 1739-L. (Reserved).

Section 1740-L. Guidelines and regulations.

The department, in consultation with the Department of Revenue, 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 the provisions of this subarticle.

Section 1741-L. Report to General Assembly.

(a) Report.--

(1) No later than one year after which tax credits are first awarded under this subarticle, and each October 1 thereafter, the department and the Department of Revenue shall jointly submit a report to the General Assembly summarizing the effectiveness of the tax credit. The report shall include the names of all qualified taxpayers utilizing

1 the tax credit as of the date of the report and the amount of
2 tax credits approved for, utilized by or sold or assigned by
3 each qualified taxpayer. The report shall be submitted to the
4 following:

5 (i) The chair and minority chair of the Agriculture
6 and Rural Affairs Committee of the Senate.

7 (ii) The chair and minority chair of the Finance
8 Committee of the Senate.

9 (iii) The chair and minority chair of the
10 Agriculture and Rural Affairs Committee of the House of
11 Representatives.

12 (iv) The chair and minority chair of the Finance
13 Committee of the House of Representatives.

14 (2) In addition to the information required under
15 paragraph (1), the report shall include the following
16 information in a manner that is separated by geographic
17 location within this Commonwealth:

18 (i) The amount of tax credits claimed by qualified
19 taxpayers during the fiscal year.

20 (ii) The total number of new jobs and permanent jobs
21 created by qualified taxpayers during the fiscal year,
22 including the duration of the jobs.

23 (b) Public information.--Notwithstanding any law providing
24 for the confidentiality of tax records, the information in the
25 report under subsection (a) shall be public information, and all
26 report information shall be posted on the department's publicly
27 accessible Internet website.

28 Section 1742-L. Applicability.

29 (a) Duration.--The tax credit under this subarticle shall
30 apply to the purchase and processing of milk produced in this

Commonwealth for a period of eight years from the date the project facility is placed into service.

(b) Limitation.--The total aggregate amount of tax credits awarded by the department under this subarticle may not exceed \$120,000,000.

Section 5. Sections 1751-L, 1752-L(b), 1753-L, 1754-L(c) and 1762-L of the act are amended to read:

Section 1751-L. 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:

"Clean hydrogen." [Hydrogen used in a project which has been determined by the United States Department of Energy to demonstrably aid achievement of the clean hydrogen production standard under section 822 of the Energy Policy Act of 2005 (Public Law 109-58, 11 Stat. 594) by mitigating emissions across the supply chain through aggressive carbon capture, by measures to mitigate fugitive methane emissions or by the use of clean electricity or other technologies or practices approved by the United States Department of Energy.] Hydrogen produced through a process that results in a lifecycle greenhouse gas emissions rate of less than 4 kilograms of CO₂e per kilogram of hydrogen.

"Lifecycle greenhouse gas emissions." As defined under 26 CFR §§ 1.45V-1 (relating to credit for production of clean hydrogen), 1.45V-2 (relating to special rules), 1.45V-3 (relating to rules relating to the increased credit amount for prevailing wage and apprenticeship), 1.45V-4 (relating to procedures for determining lifecycle greenhouse gas emissions rates for qualified clean hydrogen), 1.45V-5 (relating to procedures for verification of qualified clean hydrogen

production and sale or use) and 1.45V-6 (relating to rules for determining the placed in service date for an existing facility that is modified or retrofitted to produce qualified clean hydrogen) as of the effective date of this definition.

"Project facility." A facility located in this Commonwealth which is owned by a qualified taxpayer [which is part of a Regional Clean Hydrogen Hub designated by the United States Department of Energy authorized under section 813 of the Energy Policy Act of 2005].

"Qualified taxpayer." A company that satisfies all of the following:

(1) Owns and operates a project facility [located within a Regional Clean Hydrogen Hub designated by the United States Department of Energy authorized under section 813 of the Energy Policy Act of 2005] in this Commonwealth.

[(2) Has entered into a commitment letter under section 1752-L(b) to purchase clean hydrogen from a Regional Clean Hydrogen Hub within this Commonwealth for use in manufacturing at a project facility in this Commonwealth which has been placed in service on or after the effective date of this section.]

(2.1) Has entered into a commitment letter under section 1752-L(b) to purchase clean hydrogen for use in manufacturing, aviation fuel production, heat or energy generation or transportation and logistics at a project facility in this Commonwealth which has been placed in service on or after the effective date of this paragraph.

(3) Has made a capital investment of at least [\$500,000,000] \$100,000,000 in order to construct the project facility and place the project facility into service in this

Commonwealth.

(4) Has created a minimum aggregate total of [1,200] 200 new jobs and permanent jobs.

(5) Has made good faith efforts to recruit and employ, and to encourage any contractors or subcontractors to recruit and employ, workers from the local labor market for employment during the construction of the project facility.

(6) Has demonstrated that the new jobs created at the project facility or for work covered by Subarticle F are paid at least the prevailing minimum wage and benefit rates for each craft or classification as determined by the Department of Labor and Industry.

(7) The construction work to place a project facility into service shall be performed subject to the act of March 3, 1978 (P.L.6, No.3), known as the Steel Products Procurement Act.

Section 1752-L. Eligibility.

* * *

(b) Commitment letter.--A company that applies for and receives a tax credit under this subarticle shall enter into a commitment letter with the Department of Community and Economic Development to prescribe the date by which the project facility will begin to purchase clean hydrogen [from sources within the Regional Clean Hydrogen Hub in this Commonwealth for use in manufacturing at the project facility.] for use in manufacturing, aviation fuel production, heat and energy generation or transportation and logistics at the project facility from sources within this Commonwealth.

Section 1753-L. Application and approval of tax credit.

(a) Rate.--[The tax credit shall be equal to any one or more

of the following:

(1) \$0.81 per kilogram of clean hydrogen purchased from a Regional Clean Hydrogen Hub within this Commonwealth and used in manufacturing at the project facility by a qualified taxpayer.

(2) \$0.47 per unit of natural gas that is purchased and used in manufacturing at the project facility by a qualified taxpayer.]

The tax credit shall be equal to the following based on the lifecycle greenhouse gas emissions of each kilogram of clean hydrogen purchased for use in manufacturing, aviation fuel production, heat and energy generation or transportation and logistics at the project facility by the qualified taxpayer:

Carbon Intensity

(kg of CO2e / kg H2)

Base Credit per kg

2.50kg to 4.00kg

\$0.16

1.50kg to 2.49kg

\$0.20

0.45kg to 1.49kg

\$0.27

Less than 0.45kg

\$0.81

(b) Application.--

(1) A qualified taxpayer may apply to the department for a tax credit under this section.

(2) The application must be submitted to the department by March 1 for the tax credit claimed for clean hydrogen [or natural gas purchased and used in manufacturing by the qualified taxpayer at the project facility during the prior calendar year.] purchased and used in manufacturing, aviation fuel production, heat and energy generation or transportation and logistics at the project facility during the prior calendar year.

1 (3) The application must be on a form required by the
2 department which shall include the following:

3 [(i) information required by the department to
4 document the amount of natural gas purchased and used in
5 manufacturing at the project facility;]

6 (ii) information required by the department to
7 document the amount of clean hydrogen to be purchased
8 [from sources within the Regional Clean Hydrogen Hub in
9 this Commonwealth] and used in manufacturing [at the
10 project facility;], aviation fuel production, heat and
11 energy generation or transportation and logistics at the
12 project facility from sources located within this
13 Commonwealth;

14 (iii) information required by the department to
15 verify that the applicant is a qualified taxpayer; and

16 (iv) any other information as the department deems
17 appropriate.

18 (c) Review and approval.--

19 (1) The department shall review the applications and
20 shall issue an approval or disapproval by May 1.

21 [(2) Upon approval, the department shall issue a
22 certificate stating the amount of the tax credit granted for
23 natural gas purchased and used in manufacturing at the
24 project facility in the prior calendar year.]

25 (3) Upon approval, the department shall issue a
26 certificate stating the amount of the tax credit granted for
27 clean hydrogen purchased [from sources located in a Regional
28 Clean Hydrogen Hub located in this Commonwealth and used in
29 manufacturing at the project facility in the prior calendar
30 year.] for use in manufacturing, aviation fuel production,

1 heat and energy generation or transportation and logistics at
2 the project facility in the prior calendar year from sources
3 located within this Commonwealth.

4 (d) Availability of tax credits.--

5 (1) Each fiscal year, [~~\$50,000,000~~] \$49,000,000 in tax
6 credits shall be made available to the department in
7 accordance with this subarticle.

8 (2) The department shall issue up to [~~\$50,000,000 in a~~
9 ~~fiscal year to the qualified taxpayer which first meets the~~
10 ~~qualifications to receive a tax credit under this~~
11 ~~subarticle.~~] \$7,000,000 to each of seven qualified taxpayers
12 which first meet the qualifications to receive a tax credit
13 under this subarticle and which are located in the regionally
14 diverse areas of the Commonwealth as follows:

15 (i) two qualified taxpayers which are located east
16 of the Susquehanna River;

17 (ii) two qualified taxpayers which are located west
18 of the Susquehanna River;

19 (iii) one qualified taxpayer which is located in a
20 county of the fifth, sixth, seventh or eighth class; and

21 (iv) two qualified taxpayers which may be located
22 anywhere in this Commonwealth.

23 (3) An amount under paragraph (1) which remains
24 unallocated under paragraph (2) shall be issued to the
25 qualified taxpayer which next meets the qualifications to
26 receive a tax credit under this subarticle.

27 (4) The total aggregate amount of tax credits awarded to
28 a qualified taxpayer under this subarticle may not exceed 50%
29 of the capital investment made to construct a project
30 facility and place the project facility into service in this

Commonwealth.

Section 1754-L. Use of tax credits.

* * *

(c) Limit.--A qualified taxpayer that has been granted a tax credit under this subarticle shall be ineligible for any other tax credit provided under this act [or a tax benefit as defined in section 1701-A.1].

Section 1762-L. Applicability.

This subarticle shall apply to the purchase of clean hydrogen from sources located [in a Regional Clean Hydrogen Hub] within this Commonwealth [or natural gas used in manufacturing] at a project facility for the period beginning January 1, [2024] 2025, and ending December 31, [2043] 2045.

Section 6. The definitions of "qualified taxpayer" and "semiconductor manufacturing" in section 1771-L of the act are amended and the section is amended by adding a definition to read:

Section 1771-L. 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:

* * *

"Early stage semiconductor business." A business with less than \$10,000,000 in revenue and in the areas of research or design of semiconductor materials, semiconductor devices or semiconductor packing and testing.

* * *

"Qualified taxpayer." A company that satisfies all of the following or is an early stage semiconductor business:

(1) Conducts semiconductor manufacturing, biomedical

1 manufacturing or biomedical research in this Commonwealth at
2 a project facility in this Commonwealth that has been placed
3 in service on or after the effective date of this section.

4 (2) Has made a capital investment of at least
5 ~~[\$200,000,000]~~ \$100,000,000 in order to construct the project
6 facility and place the project facility into service in this
7 Commonwealth.

8 (3) Has created a minimum aggregate total of ~~[800]~~ 100
9 permanent jobs.

10 (4) Has made good faith efforts to recruit and employ,
11 and to encourage any contractors or subcontractors to recruit
12 and employ, workers from the local labor market for
13 employment during the construction of the project facility.

14 (5) Has demonstrated that the new jobs created at the
15 project facility or for work covered by Subarticle F are paid
16 at least the prevailing minimum wage and benefit rates for
17 each craft or classification as determined by the Department
18 of Labor and Industry.

19 (6) The construction work to place a project facility
20 into service shall be performed subject to the act of March
21 3, 1978 (P.L.6, No.3), known as the Steel Products
22 Procurement Act.

23 "Semiconductor manufacturing." ~~[The manufacture of~~
24 ~~components or the creation of advanced processes or technology~~
25 ~~within the semiconductor manufacturing and related equipment and~~
26 ~~material supplier sector.]~~ Any of the following within the
27 semiconductor manufacturing and related equipment and material
28 supplier sector:

29 (1) The manufacture of components including
30 "semiconductor manufacturing," "semiconductor wafer

1 production," "semiconductor fabrication," "semiconductor
2 packaging," "manufacturing of semiconductors," "manufacturing
3 of semiconductor manufacturing equipment" or "semiconductor
4 manufacturing equipment" in 26 CFR § 1.48D-2 (relating to
5 definitions) as of the effective date of this paragraph.

6 (2) The creation of advanced processes or technology.

7 (3) The advanced testing and packaging of components.

8 Section 7. Section 1773-L(a) and (d)(2) of the act are
9 amended and subsection (d) is amended by adding a paragraph to
10 read:

11 Section 1773-L. Application and approval of tax credit.

12 (a) Determination of tax credit amount.--[The] Except as
13 provided under paragraph (3), the annual tax credit amount may
14 be determined based upon any one or more of the following:

15 (1) No more than 2.5% of the capital investment.

16 (2) No more than 100% of tax withheld from employees and
17 paid under Article III or \$20,000, whichever is less, for
18 each permanent job at the project facility.

19 (3) If the applicant is an early-stage semiconductor
20 business, the applicant must have at least \$3,000,000 in
21 research and development investment during the previous year.

22 * * *

23 (d) Availability of tax credits.--

24 * * *

25 (2) The department shall issue [up to \$10,000,000] a
26 minimum of \$1,000,000 in a fiscal year to [the] qualified
27 [taxpayer] taxpayers engaged in semiconductor manufacturing
28 which first meets the qualifications to receive a tax credit
29 under this subarticle. The department shall not exceed
30 \$8,000,000 in aggregate tax credits issued in a year.

1 * * *

2 (3.1) The department shall issue minimum of \$100,000 in
3 a fiscal year to an early stage semiconductor business. An
4 individual early stage semiconductor business may not receive
5 more than \$1,000,000 in any fiscal year. An award may be for
6 up to five years. The department shall not exceed \$2,000,000
7 in aggregate tax credits in a year.

8 * * *

9 Section 8. Article XVII-L of the act is amended by adding a
10 subarticle to read:

11 SUBARTICLE E.1

12 SUSTAINABLE AVIATION FUEL

13 Section 1789.10-L. Duty and standards.

14 (a) Duty.--The Constitution of Pennsylvania guarantees the
15 right to clean air, pure water and to the preservation of the
16 natural, scenic, historic and esthetic values of the
17 environment. It is the Commonwealth's duty as trustee to
18 conserve and maintain them for the benefit of all the people.

19 (b) Standards.--The General Assembly finds and declares as
20 follows:

21 (1) Prohibiting degradation, diminution and depletion of
22 public natural resources during the production and use of
23 aircraft fuel carries out the duty under subsection (a).

24 (2) Tax credits are an effective measure to improve the
25 economy of this Commonwealth.

26 (3) Providing tax credits for the production of aircraft
27 fuel under paragraph (1) is affirmative legislation to
28 protect the environment.

29 Section 1789.11-L. Definitions.

30 The following words and phrases when used in this subarticle

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 "Department." The Department of Revenue of the Commonwealth.

4 "Project facility." A facility located in this Commonwealth
5 which is owned by a qualified taxpayer which manufactures
6 sustainable aviation fuel.

7 "Qualified taxpayer." An entity that satisfies all of the
8 following:

9 (1) owns and operates a project facility located within
10 this Commonwealth;

11 (2) has entered into a commitment letter under section
12 1789.12-L(b) to produce sustainable aviation fuel at a
13 project facility in this Commonwealth which has been placed
14 in service on or after the effective date of this paragraph;

15 (3) has made a capital investment of at least
16 \$250,000,000 in order to construct the project facility and
17 place the project facility into service in this Commonwealth;

18 (4) has created a minimum aggregate total of 400 new
19 jobs and permanent jobs;

20 (5) has made good faith efforts to recruit and employ,
21 and to encourage any contractors or subcontractors to recruit
22 and employ, workers from the local labor market for
23 employment during the construction of the project facility;

24 (6) has demonstrated that the new jobs created at the
25 project facility or that work covered by Subarticle F are
26 paid at least the prevailing minimum wage and benefit rates
27 for each craft or classification as determined by the
28 Department of Labor and Industry; and

29 (7) guarantees that construction work to place a project
30 facility into service shall be performed subject to the act

1 of March 3, 1978 (P.L.6, No.3), known as the Steel Products
2 Procurement Act.

3 "Sustainable aviation fuel." Liquid fuel which complies with
4 all of the following:

5 (1) Can be used to fuel an aircraft.

6 (2) Is not kerosene.

7 (3) Is not derived from palm fatty acid distillates or
8 petroleum, as defined under ASTM D1655 or a successor
9 standard adopted by the department.

10 (4) Meets the requirements of:

11 (i) ASTM International Standard D7566;

12 (ii) the Fischer Drops provisions of ASTM
13 International Standard D1655, Annex A1 adopted by the
14 department; or

15 (iii) a successor standard adopted by the department
16 in a notice published in the Pennsylvania Bulletin to
17 satisfy the standards under section 1789.10-L(b)(1) and
18 (3).

19 Section 1789.12-L. Eligibility.

20 (a) Demonstration.--In order to be eligible to receive a tax
21 credit, an entity shall demonstrate the following:

22 (1) The entity meets the requirements of a qualified
23 taxpayer.

24 (2) Confirmation that the entity has filed all required
25 State tax reports and returns for all applicable taxable
26 years and paid any balance of State tax due as determined by
27 assessment or determination by the department and not under
28 timely appeal.

29 (b) Commitment letter.--An entity that applies for and
30 receives a tax credit under this subarticle shall enter into a

commitment letter with the Department of Community and Economic Development to prescribe the date by which the project facility will begin to produce sustainable aviation fuel at the project facility.

Section 1789.13-L. Application and approval of tax credit.

(a) Rate.--The tax credit shall be equal to 75¢ per gallon of sustainable aviation fuel produced at the project facility by a qualified taxpayer.

(b) Application.--

(1) A qualified taxpayer may apply to the department for a tax credit under this section.

(2) The application must be submitted to the department by March 1 for the tax credit claimed for sustainable aviation fuel produced at the project facility during the prior calendar year.

(3) The application must be on a form required by the department which shall include the following:

(i) information required by the department to document the amount of sustainable aviation fuel produced at the project facility;

(ii) information required by the department to verify that the applicant is a qualified taxpayer; and

(iii) any other information as the department deems appropriate.

(c) Review and approval.--

(1) The department shall review the applications and shall issue an approval or disapproval by May 1, 2026, and each May 1 thereafter.

(2) Upon approval, the department shall issue a certificate stating the amount of the tax credit granted for

1 sustainable aviation fuel produced at the project facility in
2 the prior calendar year.

3 (d) Availability of tax credits.--

4 (1) Each fiscal year, up to \$15,000,000 of tax credits
5 made available to the department under Subarticle D which
6 remain unallocated shall be made available to the department
7 in accordance with this subarticle.

8 (2) The department shall issue up to \$15,000,000 in a
9 fiscal year to the qualified taxpayers which meet the
10 qualifications to receive a tax credit under this subarticle.

11 (3) The total aggregate amount of tax credits awarded to
12 a qualified taxpayer under this subarticle may not exceed 25%
13 of the capital investment made to construct a project
14 facility and place the project facility into service in this
15 Commonwealth.

16 Section 1789.14-L. Use of tax credits.

17 (a) Initial use.--Prior to sale or assignment of a tax
18 credit under section 1789.16-L, a qualified taxpayer must first
19 use a tax credit against the qualified tax liability incurred in
20 the taxable year for which the tax credit was approved.

21 (b) Eligibility.--The tax credit may be applied against up
22 to 20% of the qualified taxpayer's qualified tax liabilities
23 incurred in the taxable year for which the tax credit was
24 approved.

25 Section 1789.15-L. Carryover, carryback and refund.

26 A tax credit may not be carried back, carried forward or be
27 used to obtain a refund.

28 Section 1789.16-L. Sale or assignment.

29 (a) Authorization.--If the qualified taxpayer holds a tax
30 credit through the end of the calendar year in which the tax

1 credit was granted, the qualified taxpayer may sell or assign a
2 tax credit in whole or in part, provided the sale is effective
3 by the close of the following calendar year.

4 (b) Application.--

5 (1) To sell or assign a tax credit, a qualified taxpayer
6 must submit an application for the sale or assignment of the
7 tax credit with the department. The application must be on a
8 form required by the department.

9 (2) To approve an application, the department must:

10 (i) Find that the applicant has:

11 (A) filed all required State tax reports and
12 returns for all applicable taxable years; and

13 (B) paid any balance of State tax due as
14 determined by assessment or determination by the
15 department and not under timely appeal.

16 (ii) (Reserved).

17 (c) Approval.--Upon approval by the department, a qualified
18 taxpayer may sell or assign, in whole or in part, a tax credit.
19 Section 1789.17-L. Purchasers and assignees.

20 (a) Time.--The purchaser or assignee under section 1789.16-L
21 must claim the tax credit in the calendar year in which the
22 purchase or assignment is made.

23 (b) Amount.--The amount of the tax credit that a purchaser
24 or assignee under section 1789.16-L may use against any one
25 qualified tax liability may not exceed 50% of any of the
26 qualified tax liabilities of the purchaser or assignee for the
27 taxable year.

28 (c) Resale and assignment.--

29 (1) A purchaser under section 1789.16-L may not sell or
30 assign the purchased tax credit.

1 (2) An assignee under section 1789.16-L may not sell or
2 assign the assigned tax credit.

3 (d) Notice.--The purchaser or assignee under section
4 1789.16-L shall notify the department of the seller or assignor
5 of the tax credit in compliance with procedures specified by the
6 department.

7 Section 1789.18-L. Pass-through entity.

8 (a) Election.--If a pass-through entity has an unused tax
9 credit, the pass-through entity may elect, in writing, according
10 to procedures established by the department, to transfer all or
11 a portion of the tax credit to shareholders, members or partners
12 in proportion to the share of the pass-through entity's
13 distributive income to which the shareholders, members or
14 partners are entitled.

15 (b) Limitation.--The same unused tax credit under subsection
16 (a) may not be claimed by:

17 (1) the pass-through entity; and

18 (2) a shareholder, member or partner of the pass-through
19 entity.

20 (c) Amount.--The amount of the tax credit that a transferee
21 under subsection (a) may use against any one qualified tax
22 liability may not exceed 20% of any qualified tax liabilities
23 for the taxable year.

24 (d) Time.--A transferee under subsection (a) must claim the
25 tax credit in the calendar year in which the transfer is made.

26 (e) Sale and assignment.--A transferee under subsection (a)
27 may not sell or assign the tax credit.

28 Section 1789.19-L. (Reserved).

29 Section 1789.20-L. Guidelines and regulations.

30 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 the provisions of this subarticle.

Section 1789.21-L. Report to General Assembly.

(a) Report.--

(1) No later than the year after which tax credits are first awarded under this subarticle, and each October 1 thereafter, the department shall submit a report to the General Assembly summarizing the effectiveness of the tax credit. The report shall include the names of all qualified taxpayers utilizing the tax credit as of the date of the report and the amount of tax credits approved for, utilized by or sold or assigned by each qualified taxpayer. The report shall be submitted to all of the following:

(i) The chair and minority chair of the Appropriations Committee of the Senate.

(ii) The chair and minority chair of the Appropriations Committee of the House of Representatives.

(iii) The chair and minority chair of the Environmental Resources and Energy Committee of the Senate.

(iv) The chair and minority chair of the Environmental Resources and Energy Committee of the House of Representatives.

(v) The chair and minority chair of the Finance Committee of the Senate.

(vi) The chair and minority chair of the Finance Committee of the House of Representatives.

(2) In addition to the information required under paragraph (1), the report shall include the following

1 information in a manner separated by geographic location
2 within this Commonwealth:

3 (i) The amount of tax credits claimed by qualified
4 taxpayers during the fiscal year.

5 (ii) The total number of new jobs and permanent jobs
6 created by qualified taxpayers during the fiscal year,
7 including the duration of the jobs.

8 (b) Public information.--Notwithstanding any law providing
9 for the confidentiality of tax records, the information in the
10 report under subsection (a) shall be public information, and all
11 report information shall be posted on the department's publicly
12 accessible Internet website.

13 Section 1789.22-L. Applicability.

14 The tax credit under this subarticle shall apply to the
15 production of sustainable aviation fuel at a project facility
16 for the period beginning January 1, 2028, and ending December
17 31, 2044.

18 Section 9. Section 1791-L of the act is amended to read:

19 Section 1791-L. Definitions.

20 The following words and phrases when used in this subarticle
21 shall have the meanings given to them in this section unless the
22 context clearly indicates otherwise:

23 "Qualified project facility." Any of the following:

24 (1) A project facility as defined in section 1711-L.

25 (2) A project facility as defined in section 1731-L.

26 (3) A project facility as defined in section 1751-L.

27 (4) A project facility as defined in section 1771-L.

28 (5) A project facility as defined in section 1789.11-L.

29 "Qualified tax credit recipient." Any of the following who
30 have been awarded a tax credit:

- 1 (1) A qualified taxpayer as defined in section 1711-L.
- 2 (2) A qualified taxpayer as defined in section 1731-L.
- 3 (3) A qualified taxpayer as defined in section 1751-L.
- 4 (4) A qualified taxpayer as defined in section 1771-L.
- 5 (5) A project facility as defined in section 1789.11-L.

6 Section 10. This act shall take effect in 60 days.