
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 138 Session of
2015

INTRODUCED BY GREENLEAF, BROWNE, TARTAGLIONE, VULAKOVICH,
BREWSTER, ALLOWAY, BOSCOLA AND RAFFERTY, JANUARY 14, 2015

REFERRED TO FINANCE, JANUARY 14, 2015

AN ACT

1 Providing tax credits for services and equipment donated to
2 colleges and school entities.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Donated
7 Services and Equipment Tax Credit Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall
10 have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "College." An institution chartered within this Commonwealth
13 and duly authorized by law to be called a college or university.

14 "Computer equipment." A data processor which can be
15 programmed in at least two standard computer languages, has a
16 random access memory with a capacity for at least 32,000 bytes
17 and is or can be used connected to a screen for visual display
18 of data. The term also includes a display screen, printer, disk

1 drive and installation costs, if donated with the data
2 processor.

3 "Computer software." Computer programs and instruction in
4 the use of such programs, donated by a corporation.

5 "Corporation." A corporation having capital stock, joint-
6 stock association or limited partnership, either organized under
7 the laws of the United States, this Commonwealth, or any other
8 state, territory or foreign country or dependency and doing
9 business in this Commonwealth, or having capital or property
10 employed or used in this Commonwealth by or in the name of
11 itself or any person, partnership, association, limited
12 partnership, joint-stock association or corporation. The term
13 does not include a building and loan association, bank, bank and
14 trust company, national bank, savings institution, trust company
15 or insurance and surety company.

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

17 "Donated equipment." Computer or scientific equipment given
18 to a college or school entity solely for educational purposes,
19 not transferred for money, property, services or other
20 consideration and the original use of which equipment
21 immediately after the donation is by the donee.

22 "Donated services." Computer software or labor donated by an
23 individual to a college or school entity used either in
24 classroom instruction or programming computer equipment,
25 providing that the individual is an employee of a corporation
26 and has donated the labor with the knowledge and assent of that
27 corporation.

28 "Market value." The retail sale price of computer or
29 scientific equipment.

30 "Residual value." The difference between the market price of

1 computer or scientific equipment and any depreciation allowances
2 which have been authorized for the equipment.

3 "School entity." A school district, joint school district,
4 area vocational-technical school, intermediate unit, private
5 academic school, approved private school or licensed private
6 school.

7 "Scientific equipment." Technical or electronic equipment
8 normally used in teaching science or mathematics, including
9 laboratory equipment which is no older than five years.

10 Section 3. Credit against taxes.

11 A corporation shall be entitled to a credit against taxes
12 imposed under Article IV of the act of March 4, 1971 (P.L.6, No.
13 2), known as the Tax Reform Code of 1971, for the tax year in
14 which any donated equipment or donated services were donated.
15 The credit shall be calculated as follows:

16 (1) For new computer or scientific equipment, 50% of the
17 market value.

18 (2) For used computer or scientific equipment, 50% of
19 the residual value.

20 (3) For computer software, 50% of the actual cash value
21 of the software.

22 (4) For labor donations, 50% of the wages or salary of
23 the employee whose labor has been donated.

24 Section 4. Note of donation.

25 In accordance with regulations adopted by the department, the
26 corporation shall submit a note of donation which shall include
27 the following:

28 (1) A description of the donated equipment, computer
29 software or donated services.

30 (2) An appraisal of the value of the donated equipment,

1 computer software or donated services.

2 (3) A statement by the donee that the donated equipment,
3 computer software or donated services has been received,
4 identifying the educational use which will be made of the
5 equipment.

6 (4) An affidavit by the donee that no special
7 consideration was made in exchange for the donation.

8 Section 5. Department powers and duties.

9 The department shall adopt rules, regulations, procedures and
10 forms as necessary to implement this act.

11 Section 6. Effective date.

12 This act shall take effect in 90 days.