AN ACT

Amending the act of March 4, 1971 (P.L. 6, No. 2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," in sales and use tax, further providing for definitions, for imposition of tax and for exclusions from tax, providing for marketplace providers and marketplace sellers and further providing for remote sales reports;
in personal income tax, providing for the Pennsylvania ABLE Savings Program Tax Exemption, repealing provisions relating to contribution for Korea/Vietnam Memorial National Education Center, further providing for operational provisions, providing for definitions, further providing for requirement of withholding tax, providing for withholding tax requirement for non-employer payors, further providing for information statement, providing for information statement for non-employer payors and for information statement for payees, further providing for time for filing withholding returns, providing for time for filing payors' returns, further providing for payment of taxes withheld, providing for payment of taxes withheld for non-employer payors, further providing for liability for withheld taxes, providing for payor's liability for withheld taxes and for payor's failure to withhold, further providing for amount of withholding tax and for treatment of nonresident partners, members or shareholders, providing for withholding on income and for annual withholding statement and further providing for requirements concerning returns, notices, records and statements and for additions, penalties and fees;
in corporate net income tax, further providing for definitions and providing for qualified manufacturing innovation and reinvestment deduction;
in realty transfer tax, further providing for definitions and for exempt parties;
providing for tax credit eligibility;
in entertainment production tax credit, further providing for definitions and for credit for qualified film production expenses, providing for film production tax credit districts and establishing the Entertainment Economic Enhancement Program;
in city revitalization and improvement zones, further providing for certification, for restrictions and for transfer of property;
in neighborhood improvement zones, providing for transfer of property;
in keystone opportunity zones, keystone opportunity expansion zones and keystone opportunity improvement zones, further providing for additional keystone opportunity zones;
in inheritance tax, further providing for timely mailing treated as timely filing and payment;
in Public Transportation Assistance Fund, further providing
for fund;
providing for fireworks;
in procedure and administration, further providing for
petition for reassessment and for review by board;
providing for tobacco master settlement payment revenue
bonds and sale of revenue;
making related repeals; and
making editorial changes.

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

Section 1. Section 201(m) of the act of March 4, 1971 (P.L.6,
No.2), known as the Tax Reform Code of 1971, amended July 13, 2016
(P.L.526, No.84), is amended to read:
Section 201. Definitions.—The following words, terms and
phrases when used in this Article II shall have the meaning
ascribed to them in this section, except where the context clearly
indicates a different meaning:

(m) "Tangible personal property."

(1) Corporeal personal property including, but not limited to,
goods, wares, merchandise, steam and natural and manufactured and
bottled gas for non-residential use, electricity for non-
residential use, prepaid telecommunications, premium cable or
premium video programming service, spirituous or vinous liquor and
malt or brewed beverages and soft drinks, interstate
telecommunications service originating or terminating in the
Commonwealth and charged to a service address in this
Commonwealth, intrastate telecommunications service with the
exception of (i) subscriber line charges and basic local telephone
service for residential use and (ii) charges for telephone calls
paid for by inserting money into a telephone accepting direct
deposits of money to operate, provided further, the service
address of any intrastate telecommunications service is deemed to
be within this Commonwealth or within a political subdivision,
regardless of how or where billed or paid. In the case of any such
interstate or intrastate telecommunications service, any charge
paid through a credit or payment mechanism which does not relate
to a service address, such as a bank, travel, credit or debit
card, but not including prepaid telecommunications, is deemed
attributable to the address of origination of the
telecommunications service.

(2) The term shall include the following, whether
electronically or digitally delivered, streamed or accessed and
whether purchased singly, by subscription or in any other manner,
including maintenance[,] and updates [and support]:

(i) video;
(ii) photographs;
(iii) books;
(iv) any other otherwise taxable printed matter;
(v) applications, commonly known as apps;
(vi) games;
(vii) music;
(viii) any other audio, including satellite radio service;
(ix) canned software, notwithstanding the function performed,
including support, except separately invoiced help desk or call
center support; or
(x) any other otherwise taxable tangible personal property
electronically or digitally delivered, streamed or accessed.

* * *

Section 2. Section 202(a) of the act is amended to read:
(ii) are dedicated to film production activity, postproduction activity or other activities that directly or indirectly support film production activity occurring within the district or within this Commonwealth.

(4) Contain at least one qualified production facility and six sound stages.

(c) Application.--The following apply:

(1) An application to designate a film production tax credit district may be made by the county or municipality in which all or part of the district will be located. The department shall review the application and, if approved, issue a designation for the film production tax credit district. The application period shall be set by the department.

(2) The application shall contain the following information:

(i) The geographic area of the proposed film production tax credit district.

(ii) A detailed map of the proposed district, including geographic boundaries, total area and present use and conditions of the land and structures.

(iii) A description of the current social, economic and demographic characteristics of the proposed district and anticipated improvements in education, health, human services, public safety and employment that will result from designation of the district.

(iv) A description of anticipated film production activity and ancillary activities in the proposed district.

(v) Evidence of potential private and public investment in the proposed district.

(vi) The role of the proposed district in regional economic and community development.

(d) Designation period.--A district designated under subsection (c) shall expire 15 years after the effective date of the designation.

(e) Construction.--The tax credits authorized under this section are in addition to the tax credits under section 1716-D(a) and are available exclusively for activities occurring within the designated district.

(f) Annual tax credits.--The department may authorize a tax credit for a film production tax credit district in fiscal year 2019-2020 and in each fiscal year thereafter.

Section 35. Article XVII-D of the act is amended by adding a subarticle to read:

**SUBARTICLE E**

**ENTERTAINMENT ECONOMIC ENHANCEMENT PROGRAM**

Section 1771-D. Scope of subarticle.

This subarticle relates to the Entertainment Economic Enhancement Program.

Section 1772-D. Definitions.

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

"Class 1 venue." A stadium, arena, other structure or property owned by a municipality or an authority formed under Article XXV-A of the act of July 28, 1953 (P.L. 723, No. 230), known as the Second Class County Code, at which concerts are performed and which is all of the following:

(1) Located in a city of the first class or a county of the second class.

(2) Constructed in a manner in which the venue has a seating capacity of at least 14,000.

"Class 2 venue." A stadium, arena or other structure at which concerts are performed and which is all of the following:

(1) Located outside the geographic boundaries of a city of the first class or a county of the second class.
(2) Constructed in a manner in which the venue has a seating capacity of at least 6,000.

"Class 3 venue." A stadium, arena or other structure which is any of the following:
(1) Located within a neighborhood improvement zone, as defined in section 1902-B.
(2) Owned by or affiliated with a State-related institution as defined in 62 Pa.C.S. § 103 (relating to definitions).
(3) Owned by the Commonwealth and affiliated with the State System of Higher Education.

"Concert." A live performance of music in the presence of individuals who view the performance.

"Concert tour equipment." Includes stage, set, scenery, design elements, automation, rigging, trusses, spotlights, lighting, sound equipment, video equipment, special effects, cases, communication devices, power distribution equipment, backline and other miscellaneous equipment or supplies used during a concert or rehearsal.

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

"Maintained a place of business" or "maintaining a place of business." All of the following:
(1) Having, maintaining or using within this Commonwealth an office, warehouse or other place of business.
(2) Regularly engaging in an activity as a business within this Commonwealth in connection with the lease, sale or delivery of tangible personal property or the performance of a service for residents of this Commonwealth.

"Minimum rehearsal and tour requirements." During a tour, all of the following must occur:
(1) The purchase or rental of concert tour equipment delivered to a location in this Commonwealth, in an amount of at least $3,000,000, from companies located and maintaining a place of business within this Commonwealth for use on the tour.
(2) A rehearsal at a qualified rehearsal facility for a minimum of 10 days.
(3) At least one concert performed at a class 1 venue.
(4) At least one concert performed at a venue which is located in a municipality other than the municipality in which the class 1 venue under paragraph (3) is located.

"Pass-through entity." Any of the following:
(1) A partnership as defined in section 301(n.0).
(2) A Pennsylvania S corporation as defined in section 301(n.1).
(3) An unincorporated entity subject to section 307.21.

"Pennsylvania rehearsal and tour expenses." The sum of Pennsylvania rehearsal expenses and tour expenses. The term includes Pennsylvania rehearsal expenses and tour expenses paid prior to or during a rehearsal or tour.

"Pennsylvania rehearsal expense." A rehearsal expense which is incurred or will be incurred within this Commonwealth. The term includes:
(1) A payment which is made or will be made by a recipient to a person upon which withholding will be made on the payment by the recipient as required under Part VII of Article III or a payment which is made or will be made to a person who is required to make estimated payments under Part VIII of Article III.
(2) A payment which is made or will be made to a personal service corporation representing individual talent if the tax imposed by Article IV will be paid or accrued on the net income of the corporation for the taxable year.
(3) A payment which is made or will be made to a pass-through entity representing individual talent for which
withholding will be made by the pass-through entity on the payment as required under Part VII or VII-A of Article III.

"Qualified rehearsal and tour expense." All Pennsylvania rehearsal and tour expenses if Pennsylvania rehearsal expenses comprise or will comprise at least 60% of the total rehearsal expenses. The term shall not include more than $2,000,000 in the aggregate of compensation paid or to be paid to individuals or payment made or to be made to entities representing an individual for services provided in the tour.

"Qualified rehearsal facility." A rehearsal facility which meets at least six of the following criteria:

1. Has had a minimum of $8,000,000 invested in the rehearsal facility in land or structure, or a combination of land and structure.
2. Has a permanent grid system with a capacity of 1,000,000 pounds.
3. Has a built-in power supply system available at a minimum of 3,200 amps without the need for supplemental generators.
4. Has a height from floor to permanent grid of a minimum of 80 feet.
5. Has at least two sliding or roll-up access doors with a minimum height of 14 feet.
6. Has a perimeter security system which includes 24-hour, seven-days-a-week security cameras and the use of access control identification badges.
7. Has a service area with production offices, catering and dressing rooms with a minimum of 5,000 square feet.
8. Is located within one mile of a minimum of two companies which provide concert tour equipment for use on a tour.

"Qualified tax liability." The liability for taxes imposed under Article III, IV, VI, VII or IX. The term does not include tax withheld by an employer from an employee under Article III.

"Recipient." A taxpayer that has been awarded a tax credit under section 1773-D(e).

"Rehearsal." An event or series of events which occur in preparation for a tour prior to the start of the tour or during a tour when additional preparation may be needed.

"Rehearsal expense." All of the following when incurred or will be incurred during a rehearsal:

1. Compensation paid or to be paid to an individual employed in the rehearsal of the performance.
2. Payment to a personal service corporation representing individual talent.
3. Payment to a pass-through entity representing individual talent.
4. The costs of construction, operations, editing, photography, staging, lighting, wardrobe and accessories.
5. The cost of leasing vehicles.
6. The cost of transportation of people or concert tour equipment to or from a train station, bus depot, airport or other transportation facility or directly from a residence or business entity.
7. The cost of insurance coverage.
8. The cost of food and lodging.
9. The cost of purchase or rental of concert tour equipment.
10. The cost of renting a rehearsal facility.
11. The cost of emergency or medical support services required to conduct a rehearsal.

"Rehearsal facility." As follows:

1. A facility primarily used for rehearsals which is all of the following:
   (i) Located within this Commonwealth.
(ii) Has a minimum of 25,000 square feet of column-free, unobstructed floor space.

(2) The term does not include a facility at which concerts are capable of being held.

"Start date." The date the first set of concert tour equipment arrives or is expected to arrive at a qualified rehearsal facility.

"Tax credit." The concert rehearsal and tour tax credit as provided under this subarticle.

"Taxpayer." A concert tour promotion company, concert tour management company or other concert management company subject to tax under Article III, IV or VI. The term does not include contractors or subcontractors of a concert tour promotion company, concert tour management company or other concert management company.

"Tour." A series of concerts performed or to be performed by a musical performer in more than one location. The term includes at least one rehearsal.

"Tour expense." As follows:

(1) Costs incurred or which will be incurred during a tour for venues located in this Commonwealth. The term includes all of the following:

(i) A payment which is made or will be made by a recipient to a person upon which withholding will be made on the payment by the recipient as required under Part VII of Article III or a payment which is made or will be made to a person who is required to make estimated payments under Part VIII of Article III.

(ii) The cost of transportation of people or concert touring equipment which is incurred or will be incurred while transporting to or from a train station, bus depot, airport or other transportation facility or while transporting directly from a residence or business entity located in this Commonwealth, or which is incurred or will be incurred for transportation provided by a company which is subject to the tax imposed under Article III or IV.

(iii) The cost of leasing vehicles upon which the tax imposed by Article II will be paid or accrued.

(iv) The cost of insurance coverage which is purchased or will be purchased through an insurance agent based in this Commonwealth.

(v) The cost of purchasing or renting facilities and equipment from or through a resident of this Commonwealth or an entity subject to taxation in this Commonwealth.

(vi) The cost of food and lodging which is incurred or will be incurred from a facility located in this Commonwealth.

(vii) Expenses which are incurred or will be incurred in marketing or advertising a tour at venues located within this Commonwealth.

(viii) The cost of merchandise which is purchased or will be purchased from a company located within this Commonwealth and used on the tour.

(ix) A payment which is made or will be made to a personal service corporation representing individual talent if the tax imposed by Article IV will be paid or accrued on the net income of the corporation for the taxable year.

(x) A payment which is made or will be made to a pass-through entity representing individual talent for which withholding will be made by the pass-through entity on the payment as required under Part VII or VII-A of Article III.

(2) The term does not include development cost, including the writing of music or lyrics.

"Venue." A class 1, class 2 or class 3 venue.

Section 1773-D. Procedure.
(a) Application.--A taxpayer may apply to the department for a tax credit under this section. The application shall be on the form required by the department.

(b) Review and approval.--

(1) The department shall establish application periods not to exceed 30 days. All applications received during an application period shall be reviewed and evaluated by the department based on the following criteria:

(i) The anticipated number of rehearsal days in a qualified rehearsal facility.

(ii) The anticipated number of concerts at class 1 venues.

(iii) The anticipated number of concerts at class 2 venues.

(iv) The anticipated number of concerts at class 3 venues.

(v) The anticipated amount of Pennsylvania rehearsal expenses in comparison to the anticipated aggregate amount of rehearsal expenses.

(vi) The anticipated amount of the tour expenses.

(vii) The anticipated amount of the concert tour equipment expenses which are or will be purchased or rented from a company located and maintaining a place of business in this Commonwealth and which will be used on the tour.

(viii) The anticipated number of days spent in Commonwealth hotels.

(ix) Other criteria that the department deems appropriate to ensure maximum employment opportunities and entertainment benefits for the residents of this Commonwealth.

(2) Except as provided in subsection (c) and upon determining that the taxpayer has paid the applicable application fee not to exceed $300, has met or will meet the minimum rehearsal and tour requirements and has incurred or will incur qualified rehearsal and tour expenses, the department may approve the taxpayer for a tax credit. Applications not approved may be reviewed and considered in subsequent application periods. The department may approve a taxpayer for a tax credit based on its evaluation of the criteria under this subsection.

(c) Restriction.--The department may only consider rehearsals held or to be held, and qualified rehearsal and tour expenses incurred or to be incurred, after January 1, 2017, in determining whether a taxpayer has met or will meet the minimum rehearsal and tour requirements.

(d) Contract.--If the department approves the taxpayer's application under subsection (b), the department and the taxpayer shall enter into a contract containing the following:

(1) An itemized list of rehearsal expenses incurred or to be incurred for the tour.

(2) An itemized list of Pennsylvania rehearsal expenses incurred or to be incurred for the tour.

(3) With respect to a contract entered into prior to completion of a tour, a commitment by the taxpayer to incur the Pennsylvania rehearsal expenses as itemized.

(4) An itemized list of the qualified rehearsal and tour expenses incurred or to be incurred for the tour.

(5) With respect to a contract entered into prior to completion of a tour, a commitment by the taxpayer to incur the qualified rehearsal and tour expenses as itemized.

(6) With respect to a contract entered into prior to completion of a tour, a commitment by the taxpayer to hold at least one concert at a class 1 venue.

(7) With respect to a contract entered into prior to completion of a tour, a commitment by the taxpayer to hold at
least one concert at a venue located in a municipality other
than the municipality in which the class 1 venue under
paragraph (6) is located.
(8) The start date or the expected start date.
(9) Any other information the department deems
appropriate.
(e) Certificate.--Upon execution of the contract required by
subsection (d), the department shall award the taxpayer a concert
rehearsal and tour tax credit and issue the recipient a tax credit
certificate.

Section 1774-D. Claim.
Beginning July 1, 2017, a recipient may claim a concert
rehearsal and tour tax credit against the qualified tax liability
of the recipient.

Section 1775-D. Carryover, carryback and assignment of tax
credit.
(a) General rule.--If a recipient cannot use the entire amount
of a tax credit for the taxable year in which the tax credit is
first approved, the excess may be carried over to succeeding
taxable years and used as a tax credit against the qualified tax
liability of the recipient for those taxable years. Each time the
tax credit is carried over to a succeeding taxable year, the tax
credit shall be reduced by the amount that was used as a credit
during the immediately preceding taxable year. The tax credit may
be carried over and applied to succeeding taxable years for no
more than three taxable years following the first taxable year for
which the recipient was entitled to claim the tax credit.
(b) Application.--A tax credit approved by the department in a
taxable year first shall be applied against the recipient's
qualified tax liability for the current taxable year as of the
date on which the tax credit was approved before the tax credit
can be applied against tax liability under subsection (a).
(c) No carryback or refund.--A recipient shall not be entitled
to carry back or obtain a refund of any portion of an unused tax
credit granted to the recipient under this subarticle.
(d) Sale or assignment.--The following shall apply:
(1) A recipient, upon application to and approval by the
department, may sell or assign, in whole or in part, a tax
credit granted to the recipient under this subarticle.
(2) The department and the Department of Revenue shall
jointly promulgate regulations for the approval of applications
under this subsection.
(3) Before an application is approved, the Department of
Revenue must make a finding that the recipient has filed all
required State tax reports and returns for all applicable
taxable years and paid any balance of State tax due as
determined at settlement, assessment or determination by the
Department of Revenue.
(4) Notwithstanding any other provision of law, the
Department of Revenue shall settle, assess or determine the tax
of a taxpayer under this subarticle within 60 days of the
filing of all required final returns or reports in accordance
with section 806.1(a)(5) of the act of April 9, 1929 (P.L.343,
No.176), known as The Fiscal Code.
(e) Purchasers and assignees.--The following apply:
(1) The purchaser or assignee of all or a portion of a tax
credit under subsection (d) shall immediately claim the tax
credit in the taxable year in which the purchase or assignment
is made.
(2) The amount of the tax credit that a purchaser or
assignee may use against one qualified tax liability may not
exceed 50% of the qualified tax liability for the taxable year.
(3) The purchaser or assignee may not carry forward, carry
back or obtain a refund of or sell or assign the tax credit.
(4) The purchaser or assignee shall notify the Department of Revenue of the seller or assignor of the tax credit in compliance with procedures specified by the Department of Revenue.

Section 1776-D. Determination of Pennsylvania rehearsal and tour expenses.

When prescribing standards for determining which rehearsal or tour expenses are considered Pennsylvania rehearsal and tour expenses for purposes of computing the tax credit provided by this subarticle, the department shall consider:

(1) The location where services are performed.
(2) The location where concert tour equipment is purchased, rented, delivered and used.
(3) The location where rehearsals or concerts are held.
(4) Other factors the department determines are relevant.

Section 1777-D. Limitations.

(a) Cap.--Except as provided in this subsection, the department may not award tax credits for qualified rehearsal and tour expenses incurred or to be incurred related to more than five tours in a fiscal year. In a fiscal year, the department may, in the department's discretion, advance the award of tax credits for qualified rehearsal and tour expenses incurred or to be incurred related to a maximum of two additional tours.

(b) Advance award of credits.--The advance award of tax credits under subsection (a) shall:

(1) count against the total number of tours that the department may award tax credits for qualified rehearsal and tour expenses incurred or to be incurred related to a tour in that next succeeding fiscal year; and
(2) reduce the number of tours that the department may award tax credits for qualified rehearsal and tour expenses incurred or to be incurred related to a tour in that next succeeding fiscal year.

(c) Individual limitations.--The following shall apply:

(1) A taxpayer may not be awarded more than $800,000 of tax credits for a tour.
(2) Except as provided under paragraph (5), the aggregate amount of tax credits awarded by the department under section 1773-D(e) to a taxpayer for a tour with concerts at two class 1 venues or a class 1 venue and a class 2 venue may not exceed 25% of the qualified rehearsal and tour expenses incurred or to be incurred.
(3) Except as provided under paragraph (5), the aggregate amount of tax credits awarded by the department under section 1773-D(e) to a taxpayer for a tour with concerts at a class 1 venue and a class 3 venue may not exceed 30% of the qualified rehearsal and tour expenses incurred or to be incurred.
(4) Except as provided under paragraph (5), the aggregate amount of tax credits awarded by the department under section 1773-D(e) to a taxpayer for a tour with concerts at a class 1 venue and a class 3 venue which does not serve alcohol may not exceed 35% of the qualified rehearsal and tour expenses incurred or to be incurred.
(5) In addition to the tax credits under paragraph (2), (3) or (4), a taxpayer is eligible for a tax credit in the amount of 5% of the qualified rehearsal and tour expenses incurred or to be incurred by the taxpayer if the taxpayer holds concerts at a total of two or more class 2 venues or class 3 venues.

(d) Qualified rehearsal facility.--To be considered a qualified rehearsal facility under this subarticle, the owner of a rehearsal facility shall provide evidence to the department to verify the development or facility specifications and capital improvement costs incurred for the rehearsal facility so that the threshold amounts set in the definition of qualified rehearsal
facility under section 1772-D are satisfied, and, upon verification, the rehearsal facility shall be registered by the department officially as a qualified rehearsal facility.

(e) Waiver.--The department may make a determination that the financial benefit to this Commonwealth resulting from the direct investment in or payments made to Pennsylvania rehearsal and concert facilities outweighs the benefit of maintaining the 60% Pennsylvania rehearsal expenses requirement contained in the definition of qualified rehearsal and tour expense under section 1772-D. If the determination is made, the department may waive the requirement that 60% of a tour's aggregate rehearsal expenses be comprised of Pennsylvania rehearsal expenses.

Section 1778-D. Penalty.
A recipient which claims a tax credit and fails to incur the amount of qualified rehearsal and tour expenses agreed to under section 1773-D(d)(4) for a tour in that taxable year shall repay to the Commonwealth an amount equal to 110% of the difference between the amount agreed to under section 1773-D(d)(4) and the amount of qualified rehearsal and tour expenses actually incurred by the recipient. The penalty shall be assessed and collected under Article II.

Section 1779-D. Pass-through entity.
(a) General rule.--If a pass-through entity has any unused tax credits under section 1775-D, the pass-through entity may elect in writing, according to procedures established by the Department of Revenue, to transfer all or a portion of the tax credits to shareholders, members or partners in proportion to the share of the entity’s distributive income to which each shareholder, member or partner is entitled.

(b) Limitation.--A pass-through entity and a shareholder, member or partner of a pass-through entity may not claim the tax credit under subsection (a) for the same qualified rehearsal and tour expense.

(c) Application.--A shareholder, member or partner of a pass-through entity to whom a tax credit is transferred under subsection (a) shall immediately claim the tax credit in the taxable year in which the transfer is made. The shareholder, member or partner may not carry forward, carry back, obtain a refund of or sell or assign the tax credit.

Section 1780-D. Department guidelines and regulations.
The department shall develop written guidelines for the implementation of this subarticle. The guidelines shall be in effect until the department promulgates regulations for the implementation of this subarticle.

Section 1781-D. Report to General Assembly.
No later than June 1, 2018, and September 1 of each year thereafter, the Secretary of Community and Economic Development shall submit a report to the General Assembly summarizing the effectiveness of the tax credits provided by this subarticle. The report shall include the name of the tours which rehearsed in this Commonwealth, the names of all recipients awarded a tax credit as of the date of the report and the amount of tax credits approved for each recipient. The report may also include recommendations for changes in the calculation or administration of the tax credits provided under this subarticle. The report shall be submitted to the chairperson and minority chairperson of the Appropriations Committee of the Senate, the chairperson and minority chairperson of the Finance Committee of the Senate, the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives and the chairperson and minority chairperson of the Finance Committee of the House of Representatives. The report shall include the following information, which shall be separated by geographic location within this Commonwealth:
(1) The amount of tax credits claimed during the fiscal year by tour.

(2) The total amount spent in this Commonwealth during the fiscal year by tours and concert tour promotion companies for services and supplies.

(3) The total amount of tax revenues, both directly and indirectly, generated for the Commonwealth during the fiscal year by the concert rehearsal and tour industry.

Section 36. The definition of “qualified tax liability” in section 1702-G of the act is amended to read:

Section 1702-G. Definitions.

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

* * *

“Qualified tax liability.” The liability for taxes imposed under Articles III, IV, VI, VII, VIII, IX, XI, and XV. The term does not include tax withheld under section [316] 316.1.

* * *

Section 36.1. Section 1811-C(b) of the act is amended by adding a paragraph to read:

Section 1811-C. Certification.

* * *

(b) Content.--

* * *

(3) The department shall request documentation regarding State eligible taxes paid or refunds received from the agency required to collect the taxes or issue the refunds before requiring such documentation from the qualified business. Instructions issued by the department after the effective date of this section shall include a statement that the qualified business will not be required to submit supporting documentation with the qualified business’s request for certification under this article. Nothing in this paragraph shall prohibit the department from auditing reports submitted by qualified businesses for compliance with this article.

* * *

Section 37. Sections 1813-C and 1814-C of the act, amended July 13, 2016 (P.L.526, No.84), are amended to read:

Section 1813-C. Restrictions.

(a) Utilization.--Money transferred under section 1812-C may only be utilized for the following:

(1) Payment of debt service on bonds issued or refinanced for the acquisition, development, construction, including related infrastructure and site preparation, reconstruction, renovation or refinancing of a facility in the zone and normal and customary fees for professional services associated with the issuance or refinance of the bonds.

(2) Acquisition, development, construction, including related infrastructure and site preparation, reconstruction, renovation or refinancing of all or a part of a facility.

(3) Replenishment of amounts in debt service reserve funds established to pay debt service on bonds.

(4) Employment of an independent auditing firm to perform the duties under section 1807-C(c).

(5) Improvement or development of all or part of a zone.

(6) Improvement projects, including fixtures and equipment for a facility owned, in whole or in part, by a public authority.

(7) Payment or reimbursement of reasonable administrative, auditing and compliance services required by this article. Reasonable administrative costs may not exceed 5% of the money transferred under section 1812-C. For purposes of this paragraph, professional services shall not be considered administrative costs.