

Pennsylvania Universal Charitable Credit

AN ACT

AMENDING ARTICLE XVIII OF THE TAX REFORM CODE OF 1971;

RELATING TO THE UNIVERSAL CHARITABLE CREDIT.

Be it enacted by the Legislature of the Commonwealth of Pennsylvania:

Section 1. [Article XVIII of the Tax Reform Code of 1971](#) is amended by adding,

“Section 1801-H: Universal Charitable Credit.

Section 1. Establishment. The Universal Charitable Credit Program is established to permit taxpayers to direct a portion of their state income tax liability to “qualified charitable organizations” exempt from federal income taxation under [section 501\(c\)\(3\) of the internal revenue code](#), and incorporated in the Commonwealth of Pennsylvania.

Section 2. Definitions.

A. A credit is allowed against the taxes imposed by this title for voluntary cash contributions by the taxpayer or on the taxpayer's behalf during the taxable year to qualified charitable organizations not to exceed:

1. Five hundred dollars in any taxable year for a taxpayer who files as: single individual, head of household or married filing separately.

2. One thousand dollars in any taxable year for a married couple filing a joint return.

B. The credit allowed by this section is in lieu of a deduction pursuant to [section 170 of the internal revenue code](#) and taken for state tax purposes.

C. Taxpayers taking a credit authorized by this section shall provide the names of the qualified charitable organizations and the amount of the contributions to the department of revenue on forms provided by the department.

D. The department of revenue shall compile and make available to the public a list

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1 of qualified charitable organizations.

2 E. For the purposes of this section:

3 1. "Qualified charitable organizations" means charitable organizations that are:

4 a. exempt from federal income taxation under [section 501\(c\)\(3\) of the](#)
5 [internal revenue code](#),

6 b. incorporated in the Commonwealth of Pennsylvania,

7 c. in good standing with the Pennsylvania Department of Revenue, and

8 d. not under suspension per [section 501\(p\) of the internal revenue code](#), or
9 revocation per the [Internal Revenue Bulletin](#) at the time of the contribution.

10 2. Taxpayers choosing to make voluntary cash contributions through an umbrella
11 charitable organization that collects donations on behalf of member charities
12 shall designate that the donations be directed only to member charitable
13 organizations that would qualify under this section on a stand-alone basis.

14 F. Carryover.

15 1. The allowable credit shall be applied against the qualified tax liability for the
16 year in which it is claimed, but shall not exceed the total liability of the taxpayer
17 for that year.

18 2. A credit granted under this article shall not be carried back or refunded.

19 G. Notwithstanding any other provision of law, the department of revenue shall
20 settle, assess or determine the tax of an applicant under this subsection within 90
21 days of the filing of all required final returns or reports in accordance with the act of
22 April 9, 1929 ([P.L.343, No.176](#)), known as The Fiscal Code.

23 Sec. 3. Retroactivity.

24 This act applies retroactively to taxable years beginning from and after December 31, 2016.

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