

Background

Since 1967, thousands of businesses across Pennsylvania have been participating in the Neighborhood Assistance Program (NAP) and receiving tax credits for it. Through NAP, millions of dollars from the private sector have been invested in a wide range of human services benefiting needy individuals and families in Pennsylvania communities.

In spite of this impressive success story, many other Pennsylvania businesses still have not taken advantage of the state corporate tax credits under the Neighborhood Assistance Program that would save them thousands of dollars each year.

What is NAP?

The overall objective of the Pennsylvania Neighborhood Assistance Program is to help improve the lives of low-income people in distressed neighborhoods and communities through the creation of an effective partnership between community-based organizations and the business and corporate community. Pennsylvania state government strongly encourages this local partnership. By becoming involved, either directly or indirectly, business and industry benefit from the substantial financial incentives of the Neighborhood Assistance Program and, at the same time, improve the quality of life in their own communities.

Where to Apply

For additional information about the Single Application for Assistance and the NAP Addendum, contact the Department of Community and Economic Development:

Office of Community Services
4th Floor, Commonwealth
Keystone Building
Harrisburg, PA 17120-0225
(717) 787-1984
e-mail: ra-dcedocs@state.pa.us

Other Tax Credits

DCED offers tax credit programs and programs whereby businesses can get tax breaks. To find out more information about the following programs, visit the DCED website at www.inventpa.com.

- Neighborhood Assistance Program/ Comprehensive Service Program
- Neighborhood Assistance Program/Enterprise Zone Program
- Job Creation Tax Credit Program
- Keystone Opportunity Zones

Regional Offices

The Pennsylvania Department of Community and Economic Development's regional offices can provide you with information on how to apply for the Neighborhood Assistance Program and how your business can receive tax credits.

Region I - Southeast

908 State Office Building
Broad & Spring Garden Streets
Philadelphia, PA 19130
(215) 560-2256

Region II - Northeast

201 Samters Building
101 Penn Avenue
Scranton, PA 18503
(717) 963-4571

Region III - Central

4th Floor, Commonwealth Keystone Building
Harrisburg, PA 17120-0225
(717) 720-7300

Region IV - Southwest

1405 State Office Building
300 Liberty Avenue
Pittsburgh, PA 15222
(412) 565-5002

Region V - Northwest

1200 Lovell Place
Erie, PA 16503
(814) 871-4241



Pennsylvania Neighborhood Assistance Program

Investing in Communities = Business Savings



Commonwealth of Pennsylvania
Edward G. Rendell, Governor



PA Department of Community
and Economic Development
Dennis Yablonsky, Secretary
www.inventpa.com

How the Program Works



A business may sponsor its own project or contribute, either through cash or in-kind, to a nonprofit community organization for a program approved by the Pennsylvania Department of Community and Economic Development. Up to 50 percent of this contribution may then be used as a tax credit on the business's corporate tax liability with the Pennsylvania Department of Revenue. The total tax credit for any single business is limited to \$250,000 annually. A tax credit not used by a business in the first year may be carried forward for an additional four years, for a total of five years.

How to Participate

For A Business: Any business or industry subject to the following Pennsylvania corporate taxes can start its own NAP-approved community assistance program or contribute to a NAP-approved program operated by a neighborhood organization.

- Corporate Net Income
- Capital Stock
- Foreign Franchise
- Bank and Trust Company Shares
- Gross Premiums
- Mutual Thrift Institutions
- Title Insurance Shares

Whichever approach is taken, a business is then eligible to receive tax credits.

For A Private, Nonprofit Agency: A neighborhood organization which provides counseling, medical care, emergency assistance, job training, education and related services in economically disadvantaged areas is eligible to apply for NAP approval.



What Are the Costs?

The cost of a creditable contribution to the Neighborhood Assistance Program, when weighed against the tax savings it makes possible, will vary from firm to firm and year to year. Generally, the cost of a contribution to a Neighborhood Assistance Program is less than the cost of an average charitable contribution because of the large write-off permitted on state corporate taxes.

The cost of a NAP contribution using the 50 percent credit, in addition to the federal charitable deduction, will average about 24 cents for each dollar contributed. The same contribution without the NAP credit will average 53 cents for each dollar contributed.

Programs Eligible for Neighborhood Assistance

In order for programs to be eligible under NAP, they must qualify under one or more of the following categories and must serve clients who are either low income or residents of economically distressed neighborhoods. All programs must be approved by the Department of Community and Economic Development prior to contributions being given and tax credits received.

Community Services

Any type of counseling and advice, emergency assistance or medical care given to individuals or groups residing in a distressed area.

Education

Scholastic instruction or scholarship assistance that enables an individual residing in an economically distressed area to meet educational requirements for available employment.

Job Training

Instruction to enable the low income person to gain vocational skills to become employable or to be eligible for higher grade employment.

Crime Prevention

Any activity that helps to reduce crime in a distressed neighborhood or community.

Neighborhood Assistance

Financial aid, labor, materials or technical advice that can provide physical improvement to any part of a distressed neighborhood.

