

No. 81

AN ACT

HB 722

Amending the act of November 29, 1967 (Act No. 292), entitled "An act granting a tax credit to certain business firms who contribute to neighborhood organizations or who engage in activities which tend to upgrade impoverished areas," further defining business firm, providing for certain credits under specific tax statutes, changing the effective date and making editorial changes.

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

Section 1. Clause (5) of section 2 and sections 4 and 5, act of November 29, 1967 (Act No. 292), known as the "Neighborhood Assistance Act," amended July 31, 1968 (Act No. 231), are amended to read:

Section 2. As used in this act:

* * *

(5) "Business firm" means any business entity authorized to do business in the Commonwealth of Pennsylvania and subject to the Corporate Net Income Tax Act or a bank, bank and trust company, *insurance company*, trust company, national bank, savings association, mutual savings bank or building and loan association.

* * *

Section 4. Any business firm which engages in the activities of providing neighborhood assistance, job training or education for individuals, community services, or crime prevention in an impoverished area shall receive a tax credit as provided in section 5 of this act if the Secretary of Community Affairs annually approves the proposal of such business firm. ~~[the]~~ *The* proposal shall set forth the program to be conducted, the impoverished area selected, the estimated amount to be invested in the program and the plans for implementing the program. If, in the opinion of the Secretary of Community Affairs, a business firm's investment can more consistently with the purposes of this act be made through contributions to a nonprofit neighborhood organization, tax credits may be allowed as provided in section 5. The Secretary of Community Affairs is hereby authorized to promulgate rules and regulations for the approval or disapproval of such proposals by business firms. The total amount of tax credit granted for programs approved under this act for the first fiscal year shall not exceed one million seven hundred fifty thousand dollars (\$1,750,000) to be increased by no more than one million seven hundred fifty thousand dollars (\$1,750,000) each succeeding fiscal year until the total tax credit granted reaches eight million seven hundred fifty thousand dollars (\$8,750,000) and thereafter no more than

eight million seven hundred fifty thousand dollars (\$8,750,000) of tax credit shall be approved in any fiscal year.

Section 5. The Department of Revenue shall grant a tax credit against any tax due under the act of May 16, 1935 (P. L. 208), as reenacted and amended, known as the "Corporate Net Income Tax Act" or against any tax due from a bank, bank and trust company, trust company, *insurance company*, national bank, savings association, mutual savings bank or building and loan association, under the act of July 15, 1897 (P. L. 292), entitled "An act to provide revenue by taxation," *the act of June 13, 1907 (P. L. 640)*, or the act of June 22, 1964 (P. L. 16), known as "The Mutual Thrift Institutions Tax Act" or any tax substituted in lieu thereof, [equal to] *or against any tax due from an insurance company other than a foreign fire or casualty insurance company under the act of February 21, 1961 (P. L. 33) entitled "An act imposing a State tax on gross premiums, premium deposits, and assessments received from business transacted within this Commonwealth by certain insurance companies, associations, and exchanges; requiring the filing of annual and tentative reports and the computation and payment of tax; providing for the rights, powers and duties of the Department of Revenue, the taxpayers and officers thereof; and providing penalties," in an amount which shall not exceed fifty per cent of the total amount invested during the taxable year by the business firm in programs approved pursuant to section 4 of this act but such credit shall not exceed one hundred seventy-five thousand dollars (\$175,000) annually provided that no tax credit shall be granted to any bank, bank and trust company, insurance company, trust company, national bank, savings association, mutual savings bank or building and loan association for activities that are a part of its normal course of business: Provided, That any tax credit not used in the period the investment was made may be carried over for the next five succeeding calendar or fiscal years until the full credit has been allowed.*

Section 2. The provisions of this act shall be retroactively effective to January, 1968 and shall apply to tax reports filed for the calendar year 1968 and calendar years thereafter and for fiscal years commencing during 1968 and fiscal years thereafter.

APPROVED—The 30th day of July, A. D. 1969.

RAYMOND P. SHAFER

The foregoing is a true and correct copy of Act of the General Assembly No. 81.



Secretary of the Commonwealth.