

No. 1978-304

## AN ACT

HB 2029

Amending the act of November 29, 1967 (P.L.636, 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 neighborhood organization and making editorial changes.

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

Section 1. Clause (3) of section 2, act of November 29, 1967 (P.L.636, No.292), known as the "Neighborhood Assistance Act," is amended to read:

Section 2. As used in this act:

\* \* \*

(3) "Neighborhood organization" means any organization performing community services, *offering neighborhood assistance, or providing job training, education, or crime prevention* in an impoverished area and holding a ruling from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under the provisions of the Internal Revenue Code.

\* \* \*

Section 2. Section 3 of the act, amended July 31, 1968 (P.L.733, No.231), is amended to read:

Section 3. It is hereby declared to be public policy of the Commonwealth of Pennsylvania to encourage [direct] investment by business firms in offering neighborhood assistance and providing job training, education, crime prevention, and community services *and to encourage contributions by business firms to neighborhood organizations which offer and provide such assistance and services.*

Section 3. Section 4 of the act, amended July 30, 1969 (P.L.203, No.81), is amended to read:

Section 4. Any business firm which engages *or contributes to a neighborhood organization 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 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 4. This act shall take effect immediately.

APPROVED—The 26th day of November, A. D. 1978.

MILTON J. SHAPP