

cretion of the court, but procedure for the review of an order shall not be deemed to be such wilful conduct.

APPROVED—The 29th day of November, A. D. 1967.

RAYMOND P. SHAFER

No. 292

AN ACT

HB 1436

Granting a tax credit to certain business firms who contribute to neighborhood organizations or who engage in activities which tend to upgrade impoverished areas.

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

Section 1. This act shall be known and may be cited as the "Neighborhood Assistance Act."

Section 2. As used in this act:

(1) "Community services" means any type of counselling and advice, emergency assistance or medical care furnished to individuals or groups in an impoverished area.

(2) "Impoverished area" means any area in Pennsylvania which is certified as such by the Department of Public Welfare and approved by the Department of Revenue. Such certification shall be made on the basis of Federal census studies and current indices of social and economic conditions.

(3) "Neighborhood organization" means any organization performing community services 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.

(4) "Neighborhood assistance" means furnishing financial assistance, labor, material, and technical advice to aid in the physical improvement of any part or all of an impoverished area.

(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.

(6) "Job training" means any type of instruction to an individual who resides in an impoverished area that enables him to acquire vocational skills so that he can become employable or be able to seek a higher grade of employment.

(7) "Education" means any type of scholastic instruction to an individual who resides in an impoverished area that enables him to meet educational requirements for known job vacancies.

(8) "Crime prevention" means any activity which aids in the reduction of crime in an impoverished area.

Section 3. It is hereby declared to be public policy of the Commonwealth of Pennsylvania to encourage the investment by business firms in offering neighborhood assistance and providing job training, education, crime prevention, and community services, both directly and by contributions to neighborhood organizations, to benefit individuals living in impoverished areas.

Section 4. Any business firm which contributes to a neighborhood organization or which engages in the activities of providing neighborhood assistance, job training or education for individuals not employed by the business firm, community services, or crime prevention in an impoverished area shall receive a tax credit as provided in section 5 of this act if the Secretaries of Public Welfare and Revenue annually approve the proposal of such business firm, setting forth the program to be conducted, the impoverished area selected, and the estimated amount to be invested in the program. The Secretaries of Public Welfare and Revenue are hereby authorized to promulgate rules and regulations for the approval or disapproval of such proposals by business firms.

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), known as the "Corporate Net Income Tax Act" equal to twenty-five percent of the amount invested by a business firm in a program the proposal for which was approved under the provisions of section 4 of this act. Such tax credit shall not exceed one percent of the annual tax paid by the business firm or fifty thousand dollars (\$50,000), whichever is less.

Section 6. Notwithstanding any limitations imposed by section 5 of this act, the Secretaries of Public Welfare and Revenue may grant a tax credit against any tax due under the act of May 16, 1935 (P. L. 208), known as the "Corporate Net Income Tax Act" equal to up to fifty percent of the first one hundred and fifty thousand dollars (\$150,000) invested by the business firm in a program approved under this act.

Section 7. Any unused tax credit allowed pursuant to sections 5 and 6 of this act shall be a carry-over to the succeeding taxable years until the full credit has been allowed.

Section 8. This act shall take effect January 1, 1968.

APPROVED—The 29th day of November, A. D. 1967.

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