

No. 174

## AN ACT

HB 1538

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," providing for a tax credit of up to seventy per cent to business firms which contribute to activities of the type certified in regulation by the Secretary of the Department of Community Affairs as special program priorities, and further providing for the maximum amount of tax credits which may be allowed in any one fiscal year.

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

Section 1. Section 5, act of November 29, 1967 (P.L.636, No.292), known as the "Neighborhood Assistance Act," amended May 17, 1972 (P.L.296, No.75), is amended to read:

Section 5. The Department of Revenue shall grant a tax credit against any tax due under Article IV of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," or against any tax due from a bank, bank and trust company, trust company, insurance company, other than a foreign fire or casualty insurance company, national bank, savings association, mutual savings bank or building and loan association, under Article VII, Article VIII or Article IX of the act of March 4, 1971 (P.L.6, No.2), or the act of June 22, 1964 (P.L.16, No.2), known as "The Mutual Thrift Institutions Tax Act" or any tax substituted in lieu thereof 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] : Provided, That a tax credit of up to seventy per cent may be allowed for investment in programs where activities fall within the scope of special program priorities as defined with the approval of the Governor in regulations promulgated by the Secretary of the Department of Community Affairs. Regulations establishing special program priorities are to be promulgated during the first month of each fiscal year and at such times during the year as the public interest dictates. Such credit shall not exceed [one hundred seventy-five thousand dollars (\$175,000)] two hundred fifty thousand dollars (\$250,000) 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: And, provided further, That the total amount of all tax credits allowed pursuant to this act shall not exceed eight million seven hundred fifty thousand dollars (\$8,750,000) in any one fiscal year.**

Section 2. This act shall take effect in 60 days.

APPROVED—The 9th day of July, A. D. 1976.

MILTON J. SHAPP