

BUSINESSES HELPING BUILD HAPPY COMMUNITIES



Pennsylvania's Neighborhood Assistance Program (NAP) provides substantial support for neighborhoods and communities across Pennsylvania. The program encourages and strengthens partnership between the private, nonprofit, and public sectors by providing tax credits to businesses that provide contributions to vital community projects. By enabling businesses to help nonprofits meet funding challenges, NAP helps put communities on the right track to self-sufficiency.

WHY NAP?

- Through NAP, businesses can receive 55, 75, or 80 percent in tax credits on their contributions to a community project. These credits are flexible – they can be used, carried forward for five years, sold, or passed through to shareholders, members, or partners.
- NAP is simple for businesses. It does not require the contributing business to submit an application to the Commonwealth or receive any kind of preapproval. Most of the administrative lift is handled by the nonprofit organization receiving the contribution.
- Contributions to NAP projects help revitalize and energize Pennsylvania communities and position contributing businesses as true community partners.

NAP TAX CREDITS CAN BE USED AGAINST:

- Personal Income Tax (Via Passthrough Entity)
- Corporate Net Income Tax
- Capital Stock-Foreign Franchise Tax
- Bank Shares Tax
- Title Insurance & Trust Company Shares Tax
- Insurance Premiums Tax (excluding surplus lines, unauthorized, domestic/foreign marine)
- Mutual Thrift Institutions Tax

NAP Projects can also count toward Community Reinvestment Act credits.

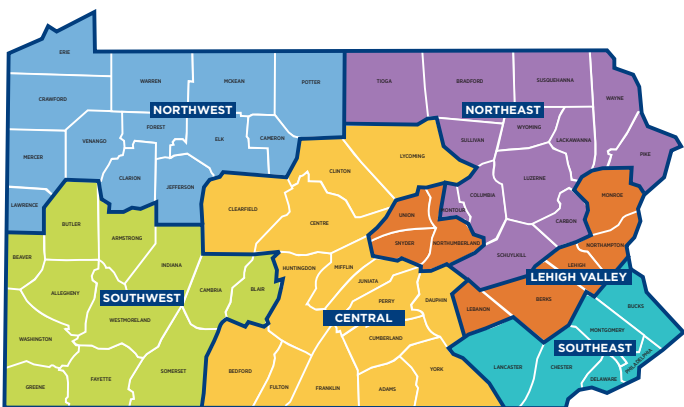
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HOW IT WORKS

1. Businesses provide a commitment letter to a nonprofit indicating the business will provide a specific monetary contribution to a community project if the nonprofit organizing the project is approved for NAP tax credits.
2. Businesses must file the Electronic Clearance Form for Tax Credits on the Department of Revenue website: www.revenue.pa.gov/taxcredits.
3. During the next NAP application period, the nonprofit receiving the contribution will submit an electronic application to the Department of Community and Economic Development (DCED) that includes the commitment letter from the business. No action is needed from the business.
4. DCED will review all applications and announce awards.
5. Businesses must make their contributions to the awarded nonprofits by the end of the state fiscal year (SFY) in which the credits were awarded (end of the SFY is June 30).
6. Contributing businesses must submit an Application for Tax Credit to the Commonwealth by December 31 after the SFY ends.



Chester, PA



MORE INFORMATION

More details and program guidelines can be found at dced.pa.gov/nap.

Businesses should talk to their DCED regional directors for more information and to help find eligible community projects for contributions.

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