

Neighborhood Assistance Program Enterprise Zone Program Tax Credit

PROGRAM GUIDELINES
March 2025



Pennsylvania
Department of Community
& Economic Development



Commonwealth of Pennsylvania
Josh Shapiro, Governor

PA Department of Community & Economic Development
dced.pa.gov



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Section I – Statement of Purpose

The Pennsylvania Department of Community and Economic Development (DCED or Department) is authorized to administer the Neighborhood Assistance Program (NAP) under Article XIX-A of the Tax Reform Code of 1971, known as the Neighborhood Assistance Act (Act 48 of 1994) (72 P.S. § 8901-A *et seq.*), as amended. In 2007, Act 55 made several changes to the program, supporting the efforts of the original Act. There are five components to this Act: The Neighborhood Assistance Program (NAP) tax credit, Special Program Priorities (SPP), Neighborhood Partnership Program (NPP), Charitable Food Program (CFP), and the Enterprise Zone Program (EZP) tax credit.

The goal of the EZP guidelines is to define the eligibility requirements, how to apply, the approval process, and the closeout for EZP. The other components of NAP can be found under a separate cover on the Department’s website.

EZP is for **private for-profit companies** (Applicant) working in distressed areas within a designated, Enterprise Zone, Main Street, or Elm Street. Applicants make investments to construct, rehabilitate, expand, and improve buildings or land that promote community development and employment opportunities for low-income individuals.

Once the EZP application is approved, the private company is eligible for up to a 25 percent tax credit, with a maximum of \$500,000 in credits for the EZP project.

If you are considering EZP, you must consult with your regional Enterprise Zone Coordinator and contact your respective DCED Regional Office at the phone number included at the end of the guidelines in **Appendix D**. However, Applicants must consult their respective accountants or tax advisors for specific tax-related questions. The Department does not provide tax advice.

Section II – Program Eligibility

A. Eligible Applicants

Private for-profit companies including agricultural, industrial, manufacturing, or research and development enterprises, as these terms are defined in the Pennsylvania Industrial Development Authority Act, within Pennsylvania are eligible to apply. This includes business firms authorized to do business in Pennsylvania and subject to the following taxes imposed by the Tax Reform Code of 1971(72 P.S § 7101 *et seq*):

- Article III: Personal Income Tax
**Only in eligible instances where tax credits are being passed through to shareholders*
- Article IV: Corporate Net Income Tax
- Article VI: Capital Stock-Foreign Franchise Tax
- Article VII: Bank Shares Tax
- Article VIII: Title Insurance & Trust Company Shares Tax
- Article IX: Insurance Premiums Tax (excluding surplus lines, unauthorized, domestic/foreign marine)
- Article XV: Mutual Thrift Tax

Such business firms may include pass-through entities, as a partnership as defined in 72 P.S. § 301(n.0), a single-member limited liability company treated as a disregarded entity for federal income tax purposes, or a Pennsylvania S corporation as defined in 72 P.S. § 301(n.1).

Priority will be awarded to projects with under \$2,000,000 total project budget and meeting application requirements.

B. Eligible Project Activities

1. The goal of EZP is to assist investments by approved private companies. Eligible activities include:
 - a. Rehabilitation
 - b. Expansion
 - c. Improvement to a building(s)
 - d. Improvement to land
 - e. Engineering
 - f. Architecture
 - g. Acquisition
2. In addition, EZP requires:
 - a. Employment opportunities are created for low-income individuals located within the designated zones. Employment opportunities must be full-time and at least \$16.74 per hour, excluding benefits.
 - b. Employment opportunities should increase the current workforce by a minimum of 5 percent
 - c. The project is within portions of a distressed community designated as an Enterprise Zone, Main Street, or Elm Street.
 - d. Plans submitted by private companies shall be developed in cooperation with and approved by a community organization.
 - Examples include: local workforce investment board, CareerLink, county assistance office, Economic Development Corp, Business Improvement District, Community Services organization, vocational school, community college or other higher-ed, or other similar organizations committed to community economic mobility
 - e. Mixed-use commercial space must be occupied by lead applicant or have an agreement/lease in place with tenant(s) that outline job creation.

C. Investment Sources

1. **Eligible Investment Sources**

Except for any financing secured through Commonwealth of Pennsylvania program assistance, eligible investments include:

 - Business equity
 - Private loans
 - Working capital
 - Loans from federal or local government sources

2. Ineligible Investment Sources

Other funding sources may be included in the budget. However, tax credits are not eligible for the following:

- Grant funds from any source;
- Loan funds issued, guaranteed, or capitalized by a commonwealth agency or state-related authority, including but not limited to sources such as local Enterprise Zone revolving loan funds, The Pennsylvania Industrial Development Authority (PIDA), and the Commonwealth Financing Authority;
- Revenue derived from the sale of NAP tax credits;
- Equity or revenue derived from or benefiting from other state or state-administered tax credits, including but not limited to the federal Low-Income Housing Tax Credit, federal Rehabilitation Investment Tax Credit (RITC), and state Historic Preservation Incentive Tax Credit.

D. Program Restrictions

1. Tax credits will not be granted if the investment displaces residents unless changes in neighborhood residential patterns demonstrate and promote neighborhood conservation. Neighborhood conservation is a project that prevents the decline of a neighborhood or supports the needs of a vulnerable population. Neighborhood conservation includes positive measures taken to assist in or minimize the cost of relocation of residents affected under a documented community plan.
2. EZP tax credits granted to a private company that is a partner in a limited partnership agreement formed for the purpose of developing affordable housing or other joint ventures are limited to their direct private investment in the project.
3. Tax credits will not be granted to a private company requesting additional tax credits for physical improvements to buildings or land that have been previously awarded EZP tax credits for improvements to the same building or land. However, a building addition is not considered the same building for this purpose.

Section III – Application Procedures

Application dates for NAP/EZP program funding will be published on DCED’s website – dced.pa.gov.

Potential Applicants must communicate with the appropriate DCED Regional Office about the proposed project prior to submission of an application. Regional Office staff serve as a source of technical assistance and program knowledge, and they contribute to the funding decision-making process. See Appendix D – DCED Regional Offices for contact information.

To apply for funding, the Applicant must submit DCED’s Electronic Single Application for Assistance (ESA) – grants.pa.gov. Required supplemental information outlined in Appendix A must be uploaded electronically to the application on the Addenda tab. Documentation mailed to the DCED Offices will NOT be accepted. Information or assistance about ESA is available using the Help link on the Login page. If you need additional assistance, contact the DCED Customer Service Center at 1-800-379-7448 or 717-787-3405.

The application for 2025/2026 will open on March 10, 2025. All NAP/EZP applications must be complete and received by 5:00 PM on May 30, 2025.

Section IV – Application Evaluation

DCED determines the competitiveness of proposed NAP/EZP projects by conducting a quantitative analysis based on the following criteria:

- Eligibility of the project activities
- Application Narrative; *See Appendix A*
- Workforce Initiatives: Number of jobs created, retained, growth pathway, wage growth, etc
- Project readiness and timeliness
- Organization’s capacity to complete the project within the activity period
- Community impact and partnership
- Strategic importance
- Collaboration with DCED Regional Offices and programs
- Participation of certified Small Diverse Businesses (including Minority Business Enterprises, Women Business Enterprises, LGBTQIA+ Business Enterprises, Disability-Owned Business Enterprises, Service-Disabled Veteran Business enterprises, and Veteran Business Enterprises)
- Collaborative approach:
 - Collaboration with Enterprise Zone Coordinator
 - Collaboration with DCED Regional Offices and programs

Approval will depend on the availability of tax credits, proposed activities, reasonableness of the overall project, and completeness of the application. The Department reserves the right to award a reduced EZP tax credit amount at its own discretion.

***Please Note:** Once an application is submitted, the Department will not accept major changes to the scope, breadth, budget, or location of the project prior to considering the project for approval. Minor changes may be considered on a case-by-case basis. It is within the Department’s discretion to determine what constitutes a major or minor change to a project.*

Section V – Approval, Amending, and Closeout

A. Approval Process

1. The Secretary of the Department will recommend for approval projects for EZP tax credits and will determine the amount of tax credits that will be granted to the Applicant.
2. The Department will offer a tax credit project approval to the Applicant. The approval letter is an enforceable contract offer that outlines the terms and conditions of the award. To become effective, the approval letter must be signed by the Applicant and returned to DCED within 60 days of receipt of the offer. The approval letter becomes an executed contract, thus a binding agreement, between DCED and the Applicant once it is signed and returned to DCED.

3. A blank Application for Tax Credit under the Neighborhood Assistance Program Enterprise Zone Program form (*Exhibit C*) will be included with the award letter to the Applicant. This form should be completed by the Applicant and returned to DCED when the investment is complete. Upon receipt, DCED will process the form and forward it to the Pennsylvania Department of Revenue (DOR) for final approval and execution.

B. Tax Credit Certificate

1. EZP is a partnership between DCED and DOR. DCED approves the EZP application via ESA and provides the tax credit certificate to the Applicant. DOR is the issuing department for the tax credit award. Please refer to DOR at revenue.pa.gov and select Online Services to access the DOR Customer Service Center for laws, policies, and tax bulletins that may contain additional information concerning tax credit approvals.
2. To obtain a tax credit certificate, all Applicants must:
 - Complete and submit the Application for Tax Credit under the Neighborhood Assistance Act (*Exhibit C*) with proof of investment to DCED. A copy of the financial examination report would serve as proof of contribution for EZP purposes
 - The completed Application for Tax Credit must be submitted to DCED by December 31, which is 180 days or six months after the contribution period ends. Completed forms must be submitted via the postal mail or electronically to the NAP email resource account at RA-DCEDNAPMAIL@pa.gov
 - DCED will review the submitted forms and, if approved, issue a Tax Credit Certificate Form (*Exhibit D*) to the Applicant
 - Notification for the tax record will be provided to DOR
3. The Applicant awarded EZP tax credits may exercise four options for use of the credits:
 - Retain and use,
 - Carry forward,
 - Sell or assign, or
 - Pass-through to another eligible entity.
4. Tax credits claimed will be first applied against the unpaid tax liability for the period in which the credit is approved.
 - To claim the tax credit, the taxpayer must return the Tax Credit Claim Form, which is on the reverse side of the Tax Credit Certificate form, to the DOR.
 - The tax credit provided by this program may be used the year of the investment or carried forward for the next five years, for a total of up to six consecutive years.
 - A taxpayer may not carry back or obtain a refund of any portion of an unused tax credit.
 - To pass-through this tax credit to the shareholders, members, or partners, please return the Tax Credit Claim Form, which is on the reverse side of the Tax Credit Certificate Form, to the DOR. Do not include the claim form with any tax report.

- A taxpayer, upon application to and approval by DCED, may sell or assign, in whole or in part, unused credits after the taxpayer has held the approved EZP tax credits for one (1) year.
- The taxpayer must submit the following two forms to DCED:
 - Application for Tax Credit (*Exhibit C*); and
 - Application to Sell or Assign Tax Credits (*Exhibit E*).
 - Before an application to sell or assign tax credits will be approved, DOR must find the Applicant has satisfied all outstanding tax related issues.
 - If selling tax credits to more than one buyer, a separate application must be submitted to DCED for approval for each separate buyer of tax credits.
 - Tax credits may only be sold or assigned once. Once a sale or assignment is approved, it is final. Buyers cannot resell or reassign tax credits.
 - The assignee or purchaser of a tax credit must claim the credit in the taxable year in which the purchase or assignment was made. The purchaser or assignee may not carry forward, carry back, obtain a refund of, or sell or assign the tax credit.

C. Project Modifications

Approved projects that require a change must submit a written request from the Applicant to amend the existing binding agreement to DCED prior to the existing binding agreement end date. The request must be sent to DCED's resource account at RA-DCEDNAPMAIL@pa.gov. A formal amendment may need to be completed for requested changes. Please allow sufficient time prior to the existing binding agreement end date to process any necessary amendments.

Changes include, but are not limited to, dropping or adding an activity, changing the project location, changing the termination date of the project, or increasing/decreasing a budget line item by 10 percent or more.

The request must describe any proposed changes. The request must contain the original and revised objectives, timeline, goals, and other changes. If the change affects the budget, a revised budget and justification must be submitted with the amendment request along with other supporting documents such as a description of the change in a sub-contract, scope of work, etc.

D. Extensions

EZP Applications are approved for one (1) year. If the Applicant discovers it needs more time to complete the EZP project, it must request an extension within the program year. Extensions are granted on a case-by-case basis for a maximum of one year from the end of the program year for a maximum of two years for any EZP project. No extensions will be granted past this second year.

To request an extension, the Applicant must send a signed letter on company letterhead to DCED detailing why the extension is needed and stating the end date being requested. This documentation should be submitted to the NAP resource account at RA-DCEDNAPMAIL@pa.gov.

E. Compliance and Monitoring

The Department reserves the right to monitor the project and project costs resulting from the award of EZP tax credits.

Additionally, EZP applications require a fiscal examination to be submitted in accordance with DCED Closeout Guidelines for grants and tax credits.

Section VI – General Requirements

A. Program Year and Activity Period

1. Program Year

The program year corresponds to the State Fiscal Year and is 12 months, starting July 1, 2025 through June 30, 2026. In most cases, the NAP/EZP application will be submitted before the program year begins.

2. Activity Period and Project Timeframe

The NAP/EZP activity period is 15 months, beginning on July 1 of the program year and ending on September 30 of the following year. The timeline provides three months beyond the program year, to September 30, for the Applicant to expend all investments made. The activity period and project timeframe are the same. The private company must expend the investment and complete the approved project within this 15-month timeframe. If completion is not feasible within the 15-month timeframe, the Applicant must request an extension outlined in Section V(D).

Investments made or received outside of the activity period of July 1 through September 30 are not eligible for tax credits. The Department will monitor investments and may request updates or additional information about the status of investments throughout the project. Applicants are advised not to begin making investments for which they expect to get tax credits until the Department's official award letter is received.

B. Applicant State Tax Compliance

DOR evaluates all EZP Applicants for State Tax Compliance prior to the approval of any EZP project.

- EZP Applicants seeking the credit must obtain state tax compliance with the laws of the Commonwealth of Pennsylvania to the satisfaction of DOR.
- Notification of Non-Compliance: EZP Applicants identified by DOR as non-compliant will be ineligible for the credit unless the Applicant resolves the non-compliant issue in the determination period set by DOR.
- All Applicants are required to file DOR's online Electronic Clearance Form for Tax Credits. The Electronic Clearance Form for Tax Credits must be filed by May 30, 2025, at 5:00P.M. The clearance worksheet previously submitted via paper submission to DCED will no longer be accepted.

Applications from EZP Applicants cleared for state tax compliance during the clearance verification period will move forward in the tax credit approval process.

Tax credits will not be approved or awarded to a 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.

C. Additional Requirements

1. **Nondiscrimination** – No assistance shall be awarded to a Qualified Taxpayer under this program unless the Qualified Taxpayer certifies that the Qualified Taxpayer shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws.

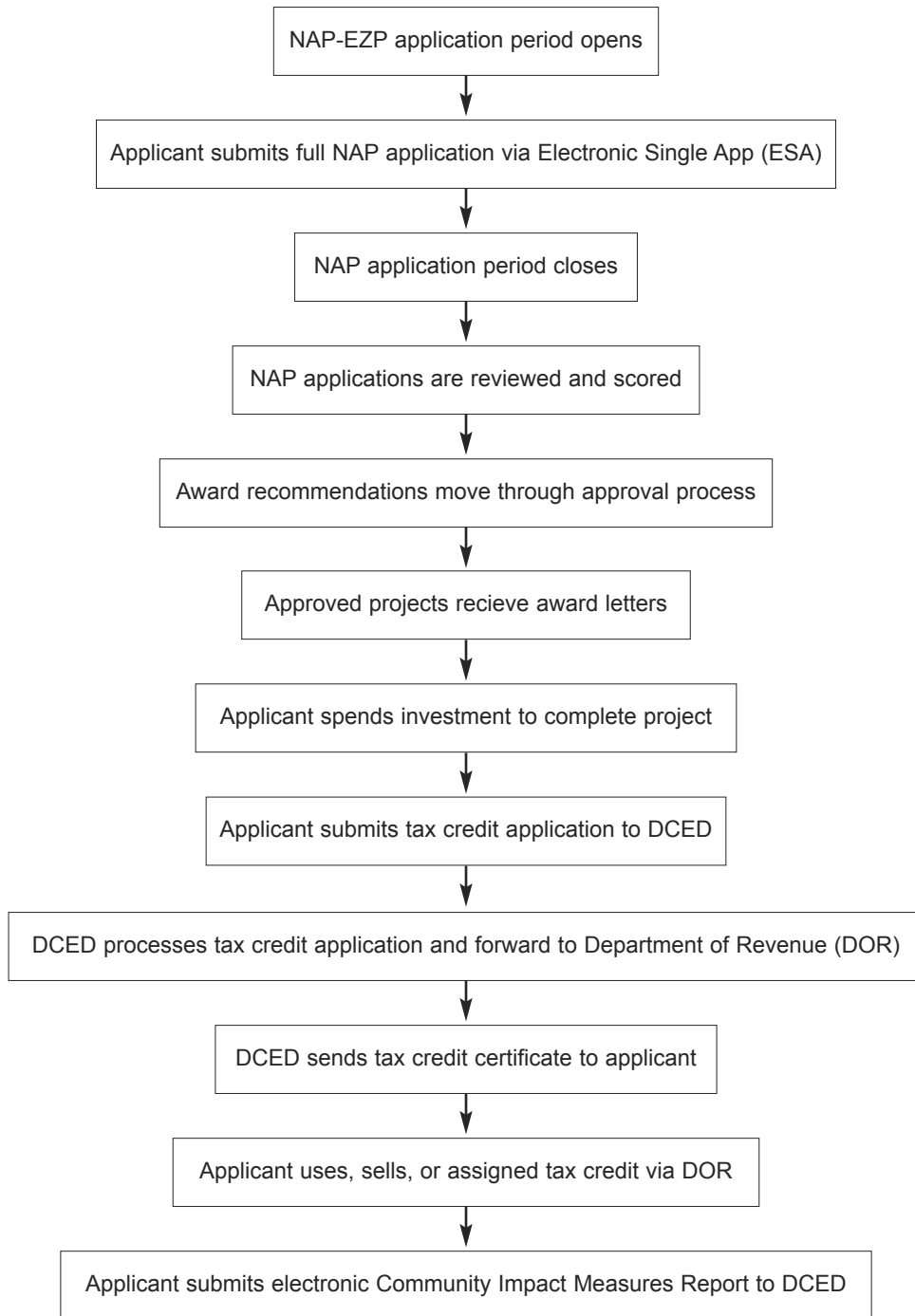
2. **Conflict of Interest** – An officer, director, or employee of an Applicant who is a party to or has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the Applicant and may not vote on action of the Applicant concerning the project or participate in the deliberations of the Applicant concerning the project.
3. **Project Records** – The Applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The program office requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon request of the program office, the Applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

***Please Note:** The Davis-Bacon Act (40 U.S.C.S. §§ 3141 et seq.) and Pennsylvania Prevailing Wage Act (43 P.S. §§ 165-1, et seq.) do not apply to the NAP/EZP portion of a project, as NAP/EZP is a tax credit program and there are no actual funds provided by the state or federal governments under this program.*

D. Acknowledgements and Disclosures

The Department may publicly acknowledge Applicants that participate in NAP/EZP projects. These acknowledgements may take the form of announcements, speeches, or marketing efforts to the public as well as the media. Please be aware there are certain situations where the Department would be required to disclose Applicant participation in NAP/EZP programs.

Section VII – Program Flow Chart



Appendix A: Required Application Items

In addition to the Electronic Single Application for Assistance and the items specifically outlined in Sections I through IV of the funding guidelines, Applicants shall submit the following:

1. **Detailed Project Narrative**

Provide a clear and concise description of the project which discusses all of the following:

- a. The proposed project scope
- b. As applicable, the anticipated positive economic development and/or community impact of the project
- c. **PLACE:** Identification of the area impacted by the project:
 - i. Identify the neighborhood, community, or specific target area that will benefit from the project. Use physical boundaries as precisely as possible.
 - ii. The characterization of the place should clearly communicate both the need and purpose of the proposed project in relation to the problem and the proposed outcomes.
 - iii. Identify how the target area is distressed.
 - iv. Discuss if and how the proposed project is consistent with an existing county comprehensive plan and, in case of an undeveloped site, with an existing municipal comprehensive plan (include current zoning for the site).
- d. **PROBLEM:** Provide a description of the specific problem being addressed:
 - i. Provide evidence that supports the distressed description e.g., population statistics that describe the nature of the workforce, unemployment rate, poverty rate, number of blighted properties in selected area, etc.
 - ii. Identify the deteriorated, distressed, and blighted industrial or manufacturing area of the community.
 - iii. Identify evidence the distressed nature of the area.
- e. **PROJECT**
 - i. Describe the scope of the proposed NAP project.
 - ii. Describe how the project will address the problem.
 - iii. A description of how the community benefits from the proposed project
 - include description of partnership(s) with community organization(s)
 - iv. Provide the project's workforce initiatives:
 - number of permanent jobs created,
 - number of jobs retained,
 - wage growth,
 - workforce pipeline: recruitment plan, growth pathway, etc.
 - identify wages
 - v. Identify proper zoning, certs, etc.
- f. **PROPOSED OUTCOMES**
 - i. Identify the outcome measures being used to gauge success for this project,
 - ii. Identify the current state of the measurement,
 - iii. Explain how the project will impact this measurement,
 - iv. Projected Outcome Data: provide outcome measure data the applicant expects to achieve at the completion of the NAP project,

- g. PARTNERSHIPS
 - i. Identify any Small Diverse Businesses (including Minority Business Enterprises, Women Business Enterprises, LGBTQIA+ Business Enterprises, Disability-Owned Business Enterprises, Service-Disabled Veteran Business Enterprises, and Veteran Business Enterprises) that the project will be partnering with,
 - ii. Identify any local economic, community development, or human service organizations the project will engage to assist.
 - iii. Partnership/collaboration with designated Keystone Community Coordinator
 - Must indicate how the Enterprise Zone project aligns with the required five-year enterprise zone strategy
 - iv. Letter of Intent (LOI) with neighborhood organization
2. **Applicant Profile**
 - a. Explanation of the business, including any participating affiliate companies
 - b. Describe the Applicant's commitment to the community
3. **Financial Statements**
 - a. Most recent financial statements from the business and any proposed guarantors demonstrating the fiscal stability of the Applicant
 - b. Financial statements should include balance sheets, income statements, and any comments regarding financial documents, pro forma, and income projects if applicable
4. **Cost Estimate**

Provide a thorough, detailed, and complete estimate (including unit costs and quantities) for the total project cost. General construction cost estimates should be prepared by an engineer or other qualified professional. Acceptable documentation also includes sales agreements and executed contracts.
5. **Project Budget Justification**
 - a. List all budget expenses for the project.
 - All items on the budget should have a corresponding cost estimate item.
 - b. List all the funding sources for the project.
 - c. See Appendix C for a copy of this form.
6. **Funding Commitment**
 - a. Documentation that the investment identified in the project budget is secured - must be on letterhead, signed, and dated. Projects that are funded by the applicant directly must provide documentation and indicate funds are available.
 - Applications without secured funds will not be considered
 - b. Copies of any funding commitment letters from other funding sources, on official letterhead, signed, and dated
 - c. Note: Documentation needs to be provided for every funding source listed in the Project Budget Justification
7. **Property Ownership**
 - a. Evidence of property ownership, deed, agreement of sale, or lease for properties included in the project

8. Letter of Support and Letter of Intent

- a. Provide a letter of support from the Enterprise Zone Coordinator, or the Main Street Manager
 - Enterprise Zone Coordinator should highlight how the applicant is directly addressing the five-year strategy plan
- b. Provide a completed and signed letter of intent
- c. See Appendix C & D for an example.

9. Additional Attachments

- a. Provide any additional attachments which may include tenant lease(s), community strategic plan, additional community partners, etc.

Appendix B: Project Budget Instructions

Enterprise Zone Tax Credit Program

Budget Columns

Column 1: Budget Category

This category lists the various expense categories to be charged against the project.

Acquisition

List the cost of land or building to be purchased.

New Construction

List such items as electrical, heating, plumbing, etc.

Renovation

List such items as electrical, heating, plumbing, etc.

Infrastructure/Site Preparation

List such items as access road, demolition, excavation, etc.

Related Costs

List such items as design costs, fees, legal costs, etc.

Financial Examination

Fill in the cost of the Financial Examination to be done when the project is completed. This cost must be separate from the investment being used to determine the tax credit amount and so will not affect the Total Project Cost.

Column 2: Amount Applicable for Tax Credits

Fill in only those amounts applicable for EZP tax credits. Enter the total of all budget categories on line VI. Enter the total EZP tax credits requested on Line VII *(up to \$500,000.00).

Column 3: Methods of Financing

Fill in by column, by financial supporter, all monies that will support this project. Amounts should be broken down by budget categories. Identify each financial supporter in the space provided at the top of each column. For each column, place a total on Line VI.

Column 4: Total Project

Total project should equal the total of all financial support identified in Column 3. Place a total on Line VI.

Project Budget Justification

Enterprise Zone Tax Credit Program

The project Budget Justification will detail by line item the basis for budget costs in the Enterprise Zone Tax Credit Program Project Budget. Indicate the cost per item in the space provided to the right of each item. Total the column of costs and place at the bottom marked Total Project Cost.

Acquisition

Land\$ _____
Buildings\$ _____

New Construction

General Construction\$ _____
Plumbing\$ _____
Electrical\$ _____
HVAC\$ _____
Sprinkler System\$ _____
Other (List)\$ _____

Renovation

General Construction\$ _____
Plumbing\$ _____
Electrical\$ _____
HVAC\$ _____
Sprinkler System\$ _____
Other (List)\$ _____

Infrastructure/Site Preparation

Access Road (priv. alley/garage) \$ _____
Parking\$ _____
Water/Sewer\$ _____
Utilities\$ _____
Lighting\$ _____
Demolition\$ _____
Excavation/Grading\$ _____
Environmental Cleanup ..\$ _____
Landscaping\$ _____
Other (List)\$ _____

Related Costs

Professional Services\$ _____
Design Costs\$ _____
Development Plans\$ _____
Engineering\$ _____
Inspections\$ _____
Fees\$ _____
Insurance\$ _____
Surveys\$ _____
Test Borings\$ _____
Legal Costs\$ _____
Transfer Taxes\$ _____
Other (List)*\$ _____

Total Project Cost\$ _____

Financial Examination\$ _____

**Do not include contingencies*

Project Budget Justification (cont'd)

Enterprise Zone Tax Credit Program

The project Budget Justification will detail by line item the basis for budget costs in the Enterprise Zone Tax Credit Program Project Budget. Indicate the cost per item in the space provided to the right of each item.

Sources

Private - Private Investment (list all sources separately)

Private loans and mortgages:

	\$ _____
	\$ _____
	\$ _____
	\$ _____

Equity Contributions (include source of investment)

	\$ _____
	\$ _____
	\$ _____
	\$ _____

Total Private Sources \$ _____

Public

DCED Sources of funding (by program):

	\$ _____
	\$ _____
	\$ _____
	\$ _____

Other Government Sources (Federal, State and Local):

Federal	\$ _____
State	\$ _____
Local	\$ _____

Total Public Sources \$ _____

TOTAL ALL SOURCES \$ _____

Appendix C: Sample Support Letter

Enterprise Zone or Main Street/Elm Street

(The support letter must be on official Enterprise Zone or Main Street/Elm Street letterhead or the official letterhead of the entity administering the zone.)

Date

Addressee (Private Company)

Dear Private Company:

I am writing to inform you that your company, (name of company), is located within the (name of Enterprise Zone, Main Street/Elm Street). The expiration date of the designated Enterprise Zone or Main Street/Elm Street is (expiration date) or the Enterprise Zone or Main Street/Elm Street expired on (expiration date). However, one benefit of the program permits a private company to apply for Enterprise Zone Tax Credits for up to two years after the exit date of the zone.

State the reason why the Enterprise Zone or Main Street/Elm Street supports the application.

Sincerely,

Enterprise Zone Coordinator

Appendix D: Letter of Intent/Business and Community Organization

Letter of Intent/Business and Community Organization

Between
DEVELOPER/BUSINESS NAME
And
COMMUNITY ORGANIZATION NAME

This Letter of Intent (“LOI”), made on this ___ day of ___ 20xx, expresses our mutual interest in exploring the potential for a collaborative partnership on the [NAME OF NAP/EZP PROJECT] development project located at [LOCATION] (“the Project”).

[EZP APPLICANT], a local leader in [mention applicant’s area of expertise, e.g., commercial development, mixed-use projects], possesses the expertise and resources necessary to successfully develop the Project.

[Community Organization] is a [briefly describe organization’s mission and relevant experience]. We are committed to [state organization’s specific goals related to the Project, e.g., community economic development, job training, neighborhood conservation & assistance].

This LOI outlines our shared preliminary understanding of the potential scope of our collaboration:

1. Project Goals:

List shared project goals around Applicant working in distressed community and how the project investment in construction, rehab, building improvement, land development that will promote employment opportunities for low-income individuals

2. Developer/EZ Applicant Role:

- *Describe the potential roles of the Developer, e.g., project financing, construction, property management*
- *Job creation and retention*
- *Benefit to community impact and enhancement*

3. Community Organization Role:

Describe the potential roles of the organization, e.g., community outreach and engagement, providing input on design and amenities, assisting with job training programs

This LOI does not constitute a binding agreement. It is intended to serve as a framework for further discussions, strategies and stronger public-private community partnership. We believe that a successful partnership between our organizations can result in a project that significantly benefits the [LOCATION] community.

We look forward to a productive and mutually beneficial collaboration.

Sincerely,

[NAME AND TITLE OF AUTHORIZED REPRESENTATIVE, Community Organization]

[NAME AND TITLE OF AUTHORIZED REPRESENTATIVE, DEVELOPER/EZP APPLICANT]

Name of Organization: _____

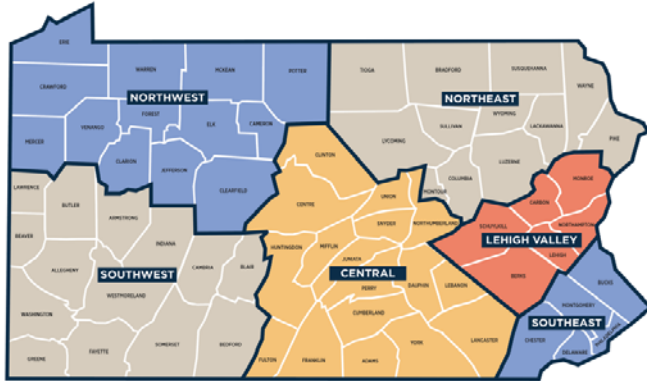
Title: _____ Signature: _____ Date: _____

Name of EZP Applicant: _____

Title: _____ Signature: _____ Date: _____

Appendix E: Regional Offices

Pennsylvania Department of Community and Economic Development dced.pa.gov



Central

Adams, Centre, Clinton, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lancaster, Lebanon, Mifflin, Northumberland, Perry, Snyder, Union, and York counties

Department of Community and Economic Development

Madra Clay, Director
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225
(717) 720-7397
maclay@pa.gov

Southeast

Bucks, Chester, Delaware, Montgomery, and Philadelphia counties

Department of Community and Economic Development

Michael Shorr, Director
1650 Arch Street, Suite 2500
Philadelphia, PA 19103
(215) 560-3793
Fax: (215) 560-5832
mshorr@pa.gov

Southwest

Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Fayette, Greene, Indiana, Lawrence, Somerset, Washington, and Westmoreland counties

Department of Community and Economic Development

Johnna Pro, Director
301 Fifth Avenue, Suite 250
Pittsburgh, PA 15222
(412) 565-5098
Fax: (412) 565-2635
jopro@pa.gov

Northeast

Bradford, Columbia, Lackawanna, Luzerne, Lycoming, Montour, Pike, Sullivan, Susquehanna, Tioga, Wayne, and Wyoming counties

Department of Community and Economic Development

Paul Macknosky, Director
2 North Main Street
Pittston, PA 18640
(570) 963-4122
Fax: (570) 654-6315
pmacknosky@pa.gov

Northwest

Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Mercer, Potter, Venango, and Warren counties

Department of Community and Economic Development

Christi Martone, Director
100 State Street, Suite 205
Erie, PA 16507
(814) 871-4241
cmartone@pa.gov

Lehigh Valley

Berks, Carbon, Lehigh, Monroe, Northampton, and Schuylkill counties

Department of Community and Economic Development

Fadia Halma, Director
449 Wild Mint Lane
Allentown, PA 18104
(717) 877-8481
fhalma@pa.gov

**APPLICATION FOR TAX CREDIT
UNDER THE NEIGHBORHOOD ASSISTANCE ACT****IMPORTANT**

Attach proof of contribution (See Number 10)

Obtain copy of Project Approval Letter

Check amounts and dates

FOR DEPARTMENTAL USE ONLY

APPLICATION NUMBER:

APPROVED MAXIMUM CREDIT:

APPROVING AUTHORITY:

DATE:

GENERAL INFORMATION

1. APPLICANT'S NAME:

2. ADDRESS:

3. CONTACT PERSON:

4. TELEPHONE NUMBER:

4A. E-MAIL ADDRESS:

5. ELIGIBLE EXPENDITURES (CONTRIBUTION):

\$

6. TYPE OF TAX:

7. TAX CREDIT REQUEST:

\$

8. TAXPAYER IDENTIFICATION NUMBER:

9. NAME OF NAP APPROVED PROJECT:

ESA APPLICATION NUMBER:

DATE OF CONTRIBUTION:

DCED AGREEMENT NUMBER:

10. PROOF OF CONTRIBUTION:

 Check - A copy of a CANCELLED CHECK Equipment and/or Supplies Job Training Real Estate Technical Assistance

I, _____, _____ of

Name of Officer

Title

Name of Firm

hereby affirm under penalties prescribed by

law that this application has been examined by me and to the best of my knowledge and belief, the information is true, correct and complete.

Date of Affirmation_____
Signature**PA Revenue Tax Box Number or other Tax Identification Number is MANDATORY for application to be processed.**

GENERAL INSTRUCTIONS

- A. **WHO MUST FILE:** In order to obtain the tax credit authorized under the Neighborhood Assistance Program, business firms must submit this Application for approval.
- B. **WHEN TO FILE:** Application must be filed with the Department of Community and Economic Development within six months after the contribution period of the approved project. Contributors will still have five years in which to use the tax credit.
- C. **SIGNATURE AND MAILING:** The application must be signed by an authorized officer of the applicant. This form must be submitted electronically to ra-dcednapmail@pa.gov.
- D. **SEPARATE APPLICATIONS:** A separate application must be submitted for each project and program year.
- E. **CLAIMING TAX CREDIT:** You will receive a copy of the approved tax credit application and a Form of Tax Credit Certificate; attach Form of Tax Credit Certificate when filing your tax return with the Pennsylvania Department of Revenue.

SPECIFIC INSTRUCTIONS

- Item 1: Indicate exact name of business firm.
- Item 2: Indicate address to which correspondence concerning this application is to be directed.
- Item 3: Person to be contacted if additional information is needed.
- Item 4: Telephone number of contact person; 4a. E-mail address of contact person.
- Item 5: Indicate contribution made to this project.
- Item 6: Indicate the type of tax. Applicable Taxes: **Corporations** - CNI or Capital Stock/Franchise; **Banks** - Shares; **Insurance Companies** - Gross Premiums; **Savings and Loans** - Mutual Thrift.
- Item 7: Indicate the tax credit requested for this contribution.
- Item 8: Indicate PA Revenue Tax Identification Number or Federal Employer Identification Number.
- Item 9: Indicate name of NAP approved project, ESA application number and the date of contribution.
- Item 10: Proof of contribution: provide and attach one of the following:
 - a. **Cash Contributions:**
If a contribution was made to a specific program that was approved under this project, sponsored by an organization that conducts many varied programs, checks must be made payable to the organization and noted specifically for the NAP project. Photocopy of front and back of cancelled check made payable to the approved project must be attached to tax credit application.
 - b. **Equipment and/or Supplies Contributions:**
Copy of invoice signed by NAP project official. Invoice must reflect the retail cost and net outlay of the contributor. Tax credits will be granted on the net cost only.
 - c. **Job Training:**
Include name and wages paid to each trainee and any approved costs incurred.
 - d. **Real Estate Contribution:**
Copy of Deed. Two (2) independent appraisals.
 - e. **Technical Assistance:**
Signed statement itemizing time/rate spent on the project, signed by employee and employer.



FORM OF TAX CREDIT CERTIFICATE

GENERAL INFORMATION

1. NAME OF COMPANY:		2. NAP CREDIT APPLICATION ID:	
3. FEIN:		4. REVENUE ID:	
5. EFFECTIVE DAE OF CREDIT:		6. EXPIRATION DATE OF CREDIT:	

[Date of Certificate]

TO THE PENNSYLVANIA DEPARTMENT OF REVENUE:

Pursuant to Article XIX-A of the Tax Reform Code of 1971 (72 P.S. §§ 8701-H et seq.), as amended (the "Act"), the Commonwealth of Pennsylvania, acting by and through the Department of Community and Economic Development (the "Department") and the _____ [Company Name], the Department hereby certifies that it has awarded, Neighborhood Assistance Program Tax Credits (the "Tax Credits"), in the amount of \$ _____ [Dollar Amount] for fiscal year 2024-2025.

This Certificate has been issued by the Department of Community and Economic Development by its duly authorized officer, on this _____ day of _____, 20____.

Important: This credit cannot be used to offset tax due for reporting periods that close prior to the Effective date on this certificate. This credit is not available for refund. This credit may be passed through, carried forward for 5 succeeding taxable years, sold or assigned.

A completed tax report must be filed for the period in which the credit was approved before the credit may be passed through, carried forward, sold or assigned. In addition, the sale or assignment of a restricted credit will not be approved if the seller has any unpaid state taxes, non-filed or incomplete state tax reports and returns as of the date the Department of Revenue is asked to review the seller's records as part of the process to approve the sale of a credit.

- To sell or assign this credit, please submit a Sale/Assignment application through the Department of Community and Economic Development. If you have questions or would like additional information regarding the sale or assignment process, please contact the Center for Community Services at RA-DCEDNAPMAIL@pa.gov.
- To pass through this credit to the shareholders, members or partners, please return this letter and the completed claim form to the Department of Revenue. Do not include the claim form with any tax report. If you have questions regarding the posting of this credit, please call 717-772-3896.

COMPLETE THE REVERSE SIDE BEFORE RETURNING

NEIGHBORHOOD ASSISTANCE TAX CREDIT CLAIM FORM

1. REVENUE ID (CORPORATION TAX ACCOUNT ID/SSN):	2. FEDERAL EMPLOYER ID (FEIN):
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3. AMOUNT OF APPROVED CREDIT FROM FRONT OF FORM:

APPLICATION OF APPROVED CREDIT

TAX TYPE	ENTITY TYPE	TAX PERIOD ENDING	ACCOUNT ID / SSN	AMOUNT
TOTAL TAX CREDITS BEING APPLIED:				

- List TAX TYPE** by using one of the following codes:
- CNITCorporate Net Income
 - PITIndividual Income Tax
 - BKSHBank Shares Tax
 - GPGNInsurance Premiums Tax
 - BKSHTTitle Insurance Tax
 - MTFTMutual Thrift Institutions Tax
- List ENTITY TYPE** by using one of the following:
- Sole Proprietorship
 - Partnership
 - Estate/Trust
 - PA S Corporation
 - Corporation
 - Limited Liability Company
 - Bank/Trust Company
 - Title Insurance Company
 - Insurance Company
 - Mutual Thrift

CLAIM FORM INSTRUCTIONS

Tax period ending is the last day of the reporting period for the tax type specified. If applying credit against an estimated or tentative liability, provide the last day of the applicable tax year, not the due date of the prepayment.

- Account ID/SSN is the identifying number of the entity. A Social Security number is required for distribution of credit to shareholder personal income tax obligations for qualified PA subchapter S corporations.
- If claiming credit against personal income tax, provide a full list of all individuals including their name, Social Security number and the amount of credit to be applied under each SSN.
- The pro-rata share of credit for each partner, member or shareholder of a pass-through entity will be compared to the Department of Revenue's records regarding percentage of ownership as provided on the Partner/Member/Shareholder Directory of the pass-through entity's PA-20S/PA-65. A pass-through entity is any partnership or Pennsylvania subchapter S corporation as defined in section 301 of the Tax Reform Code (72 P.S. § 7301).
- The completed claim must be emailed to ra-rvtaxcredits@pa.gov.



APPLICATION TO SELL OR ASSIGN TAX CREDITS UNDER THE NEIGHBORHOOD ASSISTANCE ACT

IMPORTANT

Submit all required signatures
Taxpayer Identification is mandatory
Check amounts and dates

FOR DEPARTMENTAL USE ONLY

APPLICATION NUMBER:

APPROVED TO SELL MAXIMUM CREDIT:

APPROVING AUTHORITY:

DATE:

GENERAL INFORMATION

1. SELLER'S NAME:

2. ADDRESS:

3. CONTACT PERSON:

4. TELEPHONE NUMBER:

5. E-MAIL ADDRESS:

6. AMOUNT TO SELL OR ASSIGN:

\$

7. TYPE OF TAX:

8. TAXPAYER IDENTIFICATION NUMBER:

9. AUTHORIZED SIGNATURE OF SELLER:

I, _____, _____ of

Name of Officer

Title or Affiliation

_____ hereby affirm under penalties prescribed by

Name of Firm

law that this application has been examined by me and to the best of my knowledge and belief, the information is true, correct and complete.

Date of Affirmation

Signature of Seller

10. PROSPECTIVE BUYER NAME:

TAXPAYER IDENTIFICATION NUMBER:

11. ADDRESS:

12. CONTACT PERSON:

13. TELEPHONE NUMBER:

14. E-MAIL ADDRESS:

15. SIGNATURE OF AUTHORIZED BUYER:

I, _____, _____ of

Name of Officer

Title or Affiliation

_____ hereby affirm under penalties prescribed by

Name of Firm

law that this application has been examined by me and to the best of my knowledge and belief, the information is true, correct and complete.

Date of Affirmation

Signature of Buyer

GENERAL INSTRUCTIONS

- A. **WHO MUST FILE:** In order to sell the tax credit authorized under the Neighborhood Assistance Program, sellers and buyers must submit this Application for approval.
- B. **WHEN TO FILE:** Application to sell tax credits must be filed with the Department of Community and Economic Development if no claim for the allowance of the credit is filed within one year from the date the credit is granted by the Department of Revenue. The buyer must use the credits in the tax year in which the purchase is made.
- C. **SIGNATURE AND MAILING:** The application must be signed by an authorized officer of the seller and buyer. This form must be submitted electronically to ra-dcednapmail@pa.gov.
- D. **SEPARATE APPLICATIONS:** A separate application must be submitted for each request.
- E. **CLAIMING TAX CREDIT:** You will receive a copy of the approved tax credit sale application; attach same when filing your tax return with the Pennsylvania Department of Revenue.
- F. **REPORTING:** In compliance with Article XVII-A.1 of the Tax Reform Code of 1971, as amended under Act 25 of 2021, each business awarded NAP tax credit is required to file the [Tax Credit and Tax Benefit Accountability Report](#) within 45 days of filing an annual tax return, beginning the first year the tax credit or tax benefit is awarded and ending after the credit or benefit has been fully utilized. The report can be accessed by visiting www.revenue.pa.gov/IncentivesCreditsPrograms and clicking on the "Credit Accountability Report" tile.

SPECIFIC INSTRUCTIONS

- Item 1: Indicate exact name of seller. Use the name on record with the PA Department of Revenue unless that on-file information has been changed and is no longer valid.
- Item 2: Indicate address to which correspondence concerning this application is to be directed, as related to Item 1.
- Item 3: Person to be contacted if additional information is needed.
- Item 4: Telephone number of contact person.
- Item 5: E-mail address of contact person.
- Item 6: Indicate tax credit being sold.
- Item 7: Indicate the type of tax. Applicable Taxes: Bank and Trust Company Shares; Capital Stock/Franchise; Corporate Net Income Tax; Gross Premiums; Mutual Thrift; Personal Income Tax; Title Insurance Company Shares.
- Item 8: Indicate PA revenue Tax Identification Number or Federal Employer Identification Number.
- Item 9: Indicate name, title and firm who is authorizing the sale by signature.
- Item 10: Indicate name of buyer. use the name on record with the PA Department of Revenue unless that on-file information has been changed and is no longer valid. Indicate the buyer's Tax Identification Number or Federal Employer Identification Number.
- Item 11: Indicate address to which correspondence concerning this application is to be directed, as related to Item 1.
- Item 12: Person to be contacted if additional information is needed.
- Item 13: Telephone number of contact person.
- Item 14: E-mail address of contact person.
- Item 15: Indicate the name, title and firm (if applicable) who is authorizing the purchase by signature.