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Senate of Pennsylvania

TO: All Senators
FROM: Senator Vincent Hughes
DATE: April 21, 2011
SUBJECT: Neighborhood Assistance Act Credits

In the near future, I plan on introducing legislation to make Neighborhood Assistance Act Tax Credits more accessible. The legislation expands the Neighborhood Assistance Act Tax Credit program to provide non-profit corporations access to the program. Non-profits with less than 300 employees would be permitted to contribute employee withholding taxes related to each new job created after the effective date of the act to a neighborhood organization for purposes defined in the current law. The contribution could be made for 3 years, after which the withholding tax would revert to the General Fund. Contributions by non-profits would be capped at \$250,000 per taxable year.

In addition, the legislation would also remove the 1 year waiting period before a business may sell its tax credit and allow for immediate transfer of the credit.

Pennsylvania's economic recovery remains fragile and unsteady. It is critical that we pursue policies that stimulate the economy, move business forward and create jobs even in the midst of difficult fiscal times.

This legislation is one part of a 24 bill package called PA Works that is designed to create 28,000 new jobs, leverage over \$2 billion in new private investment and save \$150 million.

I invite your co-sponsorship by contacting Jackie Hopp at jhopp@pasenate.com or by calling 783-5337. Please contact my office by April 27, 2011 if you plan on co-sponsoring this legislation.