

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1836

Session of  
1983

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INTRODUCED BY IRVIS, MANDERINO, WAMBACH, KUKOVICH, MURPHY,  
RICHARDSON, DAWIDA, DEAL, LINTON, FREEMAN, PISTELLA, COWELL,  
PRESTON, MARKOSEK, MICHLOVIC, DeLUCA, TRELLO, PIEVSKY,  
DOMBROWSKI, ALDERETTE, JAROLIN, COSLETT, CAPPABIANCA, WILSON  
AND WACHOB, DECEMBER 14, 1983

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AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,  
AS AMENDED, JANUARY 24, 1984

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## AN ACT

1 Amending the act of November 29, 1967 (P.L.636, No.292),  
2 entitled "An act granting a tax credit to certain business  
3 firms who contribute to neighborhood organizations or who  
4 engage in activities which tend to upgrade impoverished  
5 areas," providing tax credits for business firms for  
6 contributions to the Homeowners Emergency Mortgage Assistance  
7 Fund; and making a repeal.

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

10 Section 1. Sections 3 and 4 of the act of November 29, 1967  
11 (P.L.636, No.292), known as the Neighborhood Assistance Act,  
12 amended November 26, 1978 (P.L.1272, No.304), are amended to  
13 read:

14 Section 3. (a) It is hereby declared to be public policy of  
15 the Commonwealth of Pennsylvania to encourage investment by  
16 business firms in offering neighborhood assistance and providing  
17 job training, education, crime prevention, and community  
18 services and to encourage contributions by business firms to

1 neighborhood organizations which offer and provide such  
2 assistance and services.

3 (b) It is further declared to be the public policy of the  
4 Commonwealth of Pennsylvania to encourage contributions by  
5 business firms to the Homeowners Emergency Mortgage Assistance  
6 Fund created in section 408-C of the act of December 3, 1959  
7 (P.L.1688, No.621), known as the Housing Finance Agency Law.

8 Section 4. Any business firm which engages or contributes to  
9 a neighborhood organization which engages in the activities of  
10 providing neighborhood assistance, job training or education for  
11 individuals, community services, or crime prevention in an  
12 impoverished area shall receive a tax credit as provided in  
13 section 5 of this act if the Secretary of Community Affairs  
14 annually approves the proposal of such business firm. The  
15 proposal shall set forth the program to be conducted, the  
16 impoverished area selected, the estimated amount to be invested  
17 in the program and the plans for implementing the program. The  
18 Secretary of Community Affairs is hereby authorized to  
19 promulgate rules and regulations for the approval or disapproval  
20 of such proposals by business firms. The total amount of tax  
21 credit granted for programs approved under this [act ~~for~~ the <—  
22 first fiscal year] SECTION shall not exceed [one million seven <—  
23 hundred fifty thousand dollars (\$1,750,000) to be increased by  
24 no more than one million seven hundred fifty thousand dollars  
25 (\$1,750,000) each succeeding fiscal year until the total tax  
26 credit granted reaches eight million seven hundred fifty  
27 thousand dollars (\$8,750,000) and thereafter no more than] eight  
28 million seven hundred fifty thousand dollars (\$8,750,000) of tax  
29 credit [shall be approved] in any fiscal year.

30 Section 2. Section 5 of the act, amended July 9, 1976

1 (P.L.925, No.174), is amended to read:

2 Section 5. The Department of Revenue shall grant a tax  
3 credit against any tax due under Article IV of the act of March  
4 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971,"  
5 or against any tax due from a bank, bank and trust company,  
6 trust company, insurance company, other than a foreign fire or  
7 casualty insurance company, national bank, savings association,  
8 mutual savings bank or building and loan association, under  
9 Article VII, Article VIII [or], Article IX, Article XV or  
10 Article XVI of the act of March 4, 1971 (P.L.6, No.2)[, or the  
11 act of June 22, 1964 (P.L.16, No.2), known as "The Mutual Thrift  
12 Institutions Tax Act"] or any tax substituted in lieu thereof in  
13 an amount which shall not exceed fifty per cent of the total  
14 amount invested during the taxable year by the business firm in  
15 programs approved pursuant to section 4 of this act: Provided,  
16 That a tax credit of up to seventy per cent may be allowed for  
17 investment in programs where activities fall within the scope of  
18 special program priorities as defined with the approval of the  
19 Governor in regulations promulgated by the Secretary of the  
20 Department of Community Affairs. Regulations establishing  
21 special program priorities are to be promulgated during the  
22 first month of each fiscal year and at such times during the  
23 year as the public interest dictates. Such credit shall not  
24 exceed two hundred fifty thousand dollars (\$250,000) annually  
25 provided that no tax credit shall be granted to any bank, bank  
26 and trust company, insurance company, trust company, national  
27 bank, savings association, mutual savings bank or building and  
28 loan association for activities that are a part of its normal  
29 course of business: Provided, That any tax credit not used in  
30 the period the investment was made may be carried over for the

1 next five succeeding calendar or fiscal years until the full  
2 credit has been allowed: And, provided further, That the total  
3 amount of all tax credits allowed pursuant to this [act] SECTION <—  
4 shall not exceed eight million seven hundred fifty thousand  
5 dollars (\$8,750,000) in any one fiscal year.

6 Section 3. The act is amended by adding sections to read:

7 Section 5.1. Any business firm which contributes to the  
8 Homeowners Emergency Mortgage Assistance Fund shall receive a  
9 tax credit as provided in section 5.2. The total amount of tax  
10 credits granted under this section for the first fiscal year  
11 shall not exceed fifteen million dollars (\$15,000,000) nor shall  
12 the total amount of tax credits granted for fiscal years 1984-  
13 1985, 1985-1986 or 1986-1987 exceed fifteen million dollars  
14 (\$15,000,000) in any fiscal year.

15 Section 5.2. The Department of Revenue shall grant a tax  
16 credit against any tax due under Articles IV, VII, VIII, ~~IX~~, XV <—  
17 and XVI of the act of March 4, 1971 (P.L.6, No.2), known as the  
18 "Tax Reform Code of 1971," or against any tax due UNDER ARTICLE <—  
19 IX OF THE TAX REFORM CODE from an insurance company other than a  
20 foreign fire OR casualty insurance company. A tax credit of <—  
21 seventy (70) percent of contributions made to the Homeowners  
22 Emergency Mortgage Assistance Fund shall be allowed.

23 Contributions to the Homeowners Emergency Mortgage Assistance  
24 Fund and any tax credit pursuant thereto not used in the period  
25 in which the contribution was made may be carried over for the  
26 next five succeeding calendar or fiscal years until the full  
27 credit has been allowed; provided that the total amount of all  
28 tax credits allowed pursuant to this section shall not exceed  
29 the limitations provided for in section 5.1. The Department of  
30 Revenue may provide for proportional credits in the event that

1 total credits exceed fifteen million dollars (\$15,000,000) in  
2 any fiscal year.

3 Section 4. Section 410-C(a), (b), (c) and (d) of the act of  
4 December 3, 1959 (P.L.1688, No.621), known as the Housing  
5 Finance Agency Law, is repealed.

6 Section 5. This act shall take effect ~~immediately~~  
7 RETROACTIVELY ON DECEMBER 23, 1983.

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