



Neighborhood Assistance Program

Helping Build Successful 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. NAP projects cover a wide range of activities including affordable housing projects, emergency food distribution, addressing social injustices, providing employment services, community economic development and many others.

Why NAP Tax Credits?

NAP benefits businesses as their financial contributions to projects in their community are largely offset by tax credits. Through NAP, businesses can receive up to 95% 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 receive any kind of preapproval from the Commonwealth. Most of the administrative paperwork is handled by the nonprofit organization receiving the contribution.

NAP tax credits are a powerful way to offset most of the costs of business to contributions to projects while fostering relationships with the nonprofit sector and giving business real input and leadership in the director of their community.

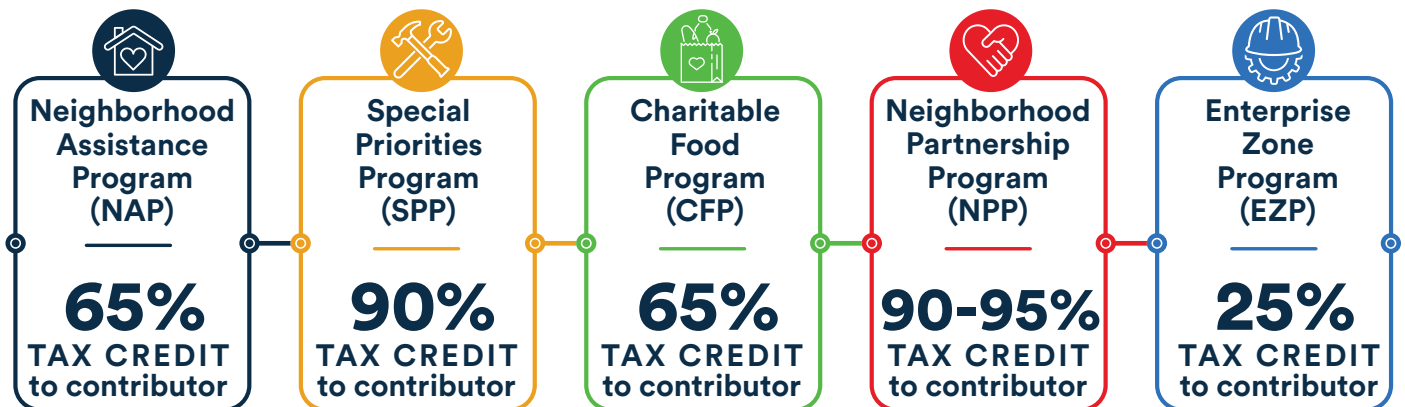
NAP Tax Credits can be used against:

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

M&T Bank has long recognized the role of Pennsylvania's Neighborhood Assistance Program (NAP) tax credit in improving our communities. The NAP tax credit is an important tool that fosters partnerships between the public and private sectors. As our communities continue to evolve, M&T Bank is thrilled to support organizations granted NAP approval in addressing critical needs throughout the region such as affordable housing, workforce development, food insecurity, and education. The recent adjustments by the Commonwealth to increase the NAP tax credits will open potential new opportunities for M&T Bank to make even more impact in the communities we serve.

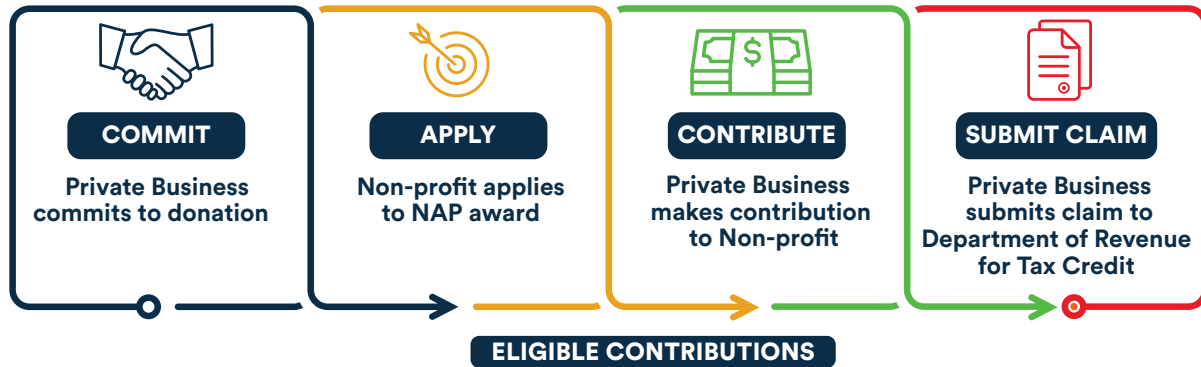
– Gail D'Angelo, M&T Bank Regional CRA Manager

NAP Projects can also count toward Community Reinvestment Act credits.



How it Works

After DCED reviews all applications and announces awards, businesses must make their contributions to committed organizations by June 30 in the year in which the credits were awarded. Businesses have until December 31 of the following year to apply for their tax credit from the Commonwealth.



Cash • In-Kind (e.g. equipment, food, real estate, etc.) • Job Training • Real Estate Contribution • Technical Assistance

NAP tax credit thresholds:

Contributions/Investments for 1-3 projects \$1,000,000

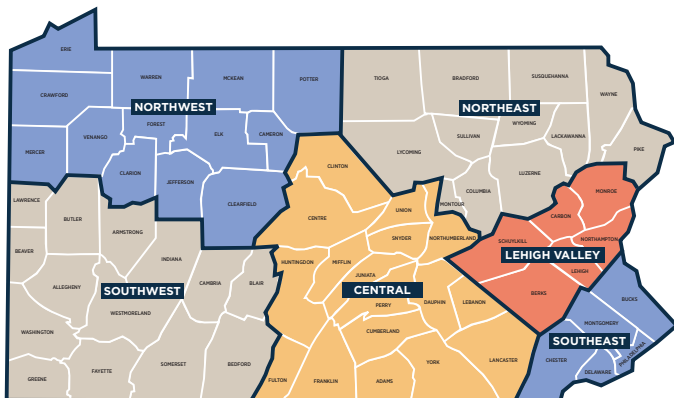
Contributions/Investments for 4+ projects \$2,500,000

**Note: these thresholds apply to only NAP tax credits and does not include contributions from other PA tax credit programs.*

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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