

## TAX BENEFITS FOR FINANCIAL, LLCs, Partnerships, Sub S, etc

	SPP 75% Credit
Contribution	\$200,000
NAP Tax Credit	(\$150,000)
Net Cash Outlay	\$50,000
Federal Tax Benefit of Contribution (21%)	\$42,000
Reduction of State Tax Costs (21%)	(\$31,500)
Net Federal Tax Benefit of Contribution	\$10,500
Net Cash Outlay after Tax Benefits	\$39,500
Cost Per \$100	\$19.75

**Cost of Donation**  
The cost of making a contribution to this project is approximately 12% of the donation for business firms. For banks, it is approximately 20% of the donation.

## Corporate (C-Corp) Net Income Tax Benefit

	SPP 75% Credit	Contribution
Contribution	\$200,000	\$200,000
NAP Tax Credit	(\$150,000)	-
Net Cash Outlay before Tax Costs/(Benefits)	\$50,000	\$200,000
Federal Tax Benefit of Contribution (Contribution X Federal Rate)	\$42,000	\$42,000
Reduction of State Tax Costs (NAP Tax Credit X Federal Rate)	(\$31,500)	
Net Federal Tax Benefit of Contribution	\$10,500	\$42,000
State Tax Benefit of Contribution (Contribution X State Rate)	\$19,980	\$19,980
Reduction of Federal Tax Costs (State Tax Benefit X Federal Rate)	(\$4,196)	(\$4,196)
Net State Tax Benefit of Contribution	15,784	15,784
Net Cash Outlay after Tax Benefits	\$23,716	\$142,216
NAP Tax Credit Additional Tax Benefit	<b>\$118,500</b>	

**Assumptions:**

Tax Rate: 1.25%  
Tax Base: Capital Stock Value (6-Year Average)

**Tax Assumptions\***

Federal Corporate Income Tax Rate: 21%  
State Corporate Net Income Tax Rate: 9.99%

# Clarion County Adventures & The Redbank Valley Historical Society

## Program Overview

Clarion County Adventures and the Redbank Valley Historical Society, both registered 501(c)(3) non-profits, are seeking Neighborhood Assistance Program – Special Program Priorities (SPP) tax credit awards to support the **Clarion County COVID-19 Outdoor Recovery Initiative** and the **New Bethlehem Health and Heritage Initiative**. These proposals provide an opportunity for local business owners to support the development of critical greenspace and cultural centerpieces in Clarion County and receive tax credits for cash and/or in-kind contributions. Neighborhood Assistance Program – Special Program Priorities allows Pennsylvania taxpayers to determine where their state tax dollars will be utilized by donating to charitable organizations.

## Clarion County Adventures & Redbank Valley Historical Society

**Clarion County Adventures (CCA)** is a division of The Children's Scholarship Fund of Pennsylvania and will be serving as the applicant for the Clarion County COVID-19 Outdoor Recovery Initiative. Beyond its health implications, the economic and social impacts of COVID-19 are profound. The recent health crisis is reshaping how we live, work, and play – large sectors of the economy have grounded to a halt, staying indoors has become a common practice, and public places across the state have shutdown to slow the spread. Along with needing places to exercise, sheltering-in-place practices have left us missing opportunities to be outdoors in nature, as well as seeing others as part of a community of people larger than ourselves. CCA recognizes there is an opportunity to deepen community resilience and promote economic recovery by addressing greenspace inequities.

**Redbank Valley Historical Society, Inc. (RVHS)** is a non-profit with an interest in researching and preserving a factual and accurate history of the area comprising approximately the same area as the Redbank Valley School District. RVHS's first goal is to research and compile historical data to be used in the publication of a book of the area. Once that goal is achieved, RVHS will endeavor to establish a Redbank Area Heritage and Genealogy Center in New Bethlehem and to collect and preserve artifacts pertinent to the history and genealogy of the area for display at that center. The facility will be open for public use and enjoyment. RVHS will from time to time entertain quest speakers to present interesting subject matters of local history to the group. The Redbank Valley Historical Society has open memberships to anyone who is interested in and willing and able to contribute to our society's goals.



Clarion Multi-Generational Community Park



New Bethlehem First National Bank Building

## Clarion County COVID-19 Recreational Recovery Initiative & New Bethlehem Health and Heritage Initiative

Beyond its health implications, the economic and social impacts of COVID-19 are profound. The recent health crisis is reshaping how we live, work, and play – large sectors of the economy have grounded to a halt, staying indoors has become a common practice, and public places across the state have shutdown to slow the spread. Along with needing places to exercise, sheltering-in-place practices have left us missing opportunities to be outdoors in nature, as well as seeing others as part of a community of people larger than ourselves. As Clarion County moves from response to recovery in this period of COVID-19, Clarion County Adventures recognizes there is an opportunity to deepen community resilience and promote economic recovery by addressing greenspace inequities and decay of historical and cultural assets.

The **Clarion County COVID-19 Outdoor Recovery Initiative** is designed to create new greenspace in Clarion Borough that is both accessible and serves multiple functions. At this volatile time, there is a greater than ever demand for greenspace, a place where individuals and families can exercise, engage with others, and feel relaxed in a natural setting.

Connected with this is the issue of the maintenance of our historical heritage sites, and the unique cultural benefit those heritage sites provide. In the recovery from the COVID-19 Pandemic, it is now more important than ever that we preserve our history for our children and grandchildren. The **New Bethlehem Health and Heritage Initiative** will feature preservation of one such site – the First National Bank Building in New Bethlehem Borough.

Clarion County Adventures and the Redbank Valley Historical Society are proposing the following activities:

1. **Clarion Multi-Generational Community Park:** Construction of a multi-generational community park on 2.5 acres along Second Avenue in Clarion Borough. Clarion County Adventures envisions the park to provide multi-purpose courts, splash pad and water feature, outdoor games such as shuffleboard and chess, benches and seating area, bathroom building and drinking fountains, playground, outdoor ice skating and hockey rink, and green space for passive recreation.
2. **New Bethlehem First National Bank Building:** Rehabilitation of New Bethlehem's First National Bank Building, including necessary repairs and maintenance to the building's iconic 107-foot tall clocktower and the 2000 lb., 92-year-old bell contained inside. Once rehabilitated, the First National Bank Building will feature a genealogical library, local history exhibits, a children's learning space, space for performing arts events, and meeting space for community organizations.

*We invite your organization to join the Clarion County COVID-19 Outdoor Recovery Initiative, a diverse public-private partnership between Clarion Borough, Clarion Blueprint, Clarion University, Clarion County, and Clarion Township! We also invite your organization to join the New Bethlehem Health and Heritage Initiative, a transformative project to preserve New Bethlehem's most iconic building for much-needed community space!*

## Neighborhood Assistance Program

### Special Program Priorities

Administered by the Pennsylvania Department of Community & Economic Development (DCED), the Neighborhood Assistance Program (NAP) assists with reviving Pennsylvania's economy by providing tax credits and targeted assistance to distressed areas and low-income populations with a strategic focus on community participation and collaboration among residents, nonprofits, and businesses. The Special Program Priorities Program (SPP), a component of NAP, focuses on specific needs of distressed communities, including disaster and economic recovery, blight elimination, and rural initiatives. Businesses assist to meet the challenges of funding through either cash contribution or equipment and/or supplies contribution.

### Application Process

1. Interested businesses submit a letter of commitment to Clarion County Adventures or the Redbank Valley Historical Society confirming the purpose and amount of the contribution by **August 31<sup>st</sup>, 2021**.
2. All contributors must file the Electronic Tax Clearance Form for Tax Credits through the Pennsylvania Department of Revenue by **August 31<sup>st</sup>, 2021**, available at: [www.revenue.pa.gov/taxcredits](http://www.revenue.pa.gov/taxcredits)
3. Clarion County Adventures and the Redbank Valley Historical Society apply for SPP tax credits that, if approved, are available for use by contributing businesses.
4. Upon the DCED's official written approval of the tax credit requests, businesses must provide financial contribution by **June 30<sup>th</sup>, 2022** for tax credits to be used to offset their unpaid taxes for the tax year of 2021 with any excess being applied to taxes due in subsequent years up and until tax year 2026 or they may sell them to another business.

### Special Program Priorities Tax Credit – 75%

## Contributor Eligibility Requirements

Eligible contributors are business firms authorized to conduct business in Pennsylvania and subject to the following taxes:

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

Such business firms may include (1) pass-through entities as a partnership, (2) a single-member limited liability company treated as a disregarded entity for federal income tax purposes, or (3) a Pennsylvania S corporation.

### Contributions to Three or Fewer Projects

The maximum aggregate tax credit amount a contributor may receive annually for contributions for three or fewer projects is \$500,000. This maximum applies to the total of all NAP tax credits awarded under all programs.

### Contributions to Four or More Projects:

The maximum aggregate tax credit amount a contributor may receive annually for contributions to four or more projects is \$1,250,000. This maximum applies to the total of all NAP tax credits awarded under all programs.

## Accessing Your Tax Credits

To obtain a tax credit certificate, all contributors must complete the following:

1. Complete and submit the Application for Tax Credit under the Neighborhood Assistance Act with proof of contribution to DCED. Examples of proof of contribution include copies of the front and back of a cancelled check, invoices for equipment/supplies, proof of donation of real estate, or invoices for technical assistance. Copies of records such as wire transfers or electronic transfers may be submitted. The completed Application for Tax Credit must be submitted to DCED by **December 31<sup>st</sup>, 2022**. Completed forms must be submitted via the postal mail or electronically to the NAP email resource account at [RA-DCEDNAPMAIL@pa.gov](mailto:RA-DCEDNAPMAIL@pa.gov).
2. DCED will review the submitted forms and, if approved, issue a Tax Credit Certificate Form to the contributor. Notification for the tax record will be provided to Pennsylvania Department of Revenue.
3. The contributor awarded SPP tax credits may exercise four options for use of the credits: (1) Retain and Use, (2) Carry-Forward, (3) Sell or Assign, or (4) Pass through to another eligible entity.

Tax credits claimed will be first applied against the unpaid tax liability for the period in which the credit is approved. The tax credit may be carried forward for a maximum of five years. A taxpayer may not carry back or obtain a refund of any portion of an unused tax credit.