

TAX CREDIT PROGRAMS



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This document is designed to give businesses an overview of available Tax Credits, Grant Programs, and funding for the development of their workforce. This is not a comprehensive list. Cumberland County Economic Development will assist in applying for and dispersal of these funds in accordance with each program's guidelines and regulations.

Job Creation Tax Credits – (JCTC)

<u>Organization & Program Contacts</u>	<u>Description & Use of Funds</u>	<u>Funding Available</u>	<u>Eligible Applicants</u>
DCED – Center for Business Financing JCTC Program 717-787-7120	Available to eligible businesses who, within 3 years from a negotiated start date, create 25 or more jobs or increase employment by 20% Only Full Time jobs qualify. New positions must earn an hourly wage rate of at least 150% of the Federal minimum wage, excluding benefits at the time the certificate is issued. Businesses must agree to maintain their operations in PA for a period of 5 years from the start date.	Every new full time job could result in a \$1000 tax credit the business can use to pay a number of state business taxes. The business may claim these credits only after the jobs are created.	Private business
<u>Application Period</u> Anytime			

Research & Development Tax Credit – (R&D)

<u>Organization & Program Contacts</u>	<u>Description & Use of Funds</u>	<u>Funding Available</u>	<u>Eligible Applicants</u>
PA – DCED Technology Investment office ATTN: R&D Tax Credit Transfer Program 717-787-4147	Allows companies to reduce their PA tax liability through the award of tax credits based on the company's eligible research & development expenditures The credit is applicable to PA's Corporate Net Income Tax, Capital Stock & Franchise Tax, & Personal Income Tax.	Credit can be up to 10% of the company's increase in R&D expenses over a base period Annual cap for all companies applying cannot exceed \$30mil. If annual cap is reached awards to individual companies will be pro-rated.	Private Business
<u>Application Period</u>	Unused credits may be carried over for up to 15 succeeding tax years. With approval a company may sell held tax credits and assign their use to a buyer.		

Educational Improvement Tax Credit Program – (EITC)

<u>Organization & Program Contacts</u>	<u>Description & Use of Funds</u>	<u>Funding Available</u>	<u>Eligible Applicants</u>
DCED – Educational Improvement Tax Credit Program 717-787-7120	Act 48 authorizes the award of tax credits to businesses that make contributions to Scholarship Organizations and/or Educational Improvement Organizations and/or Pre-K Scholarship Organizations contained on a list published by the Department as set forth by the requirement of the Act.	A business will be approved for a tax credit equal to 75% of its contributions up to \$300,000. Tax credits may be increased to 90% of the contributions made, up to \$300,000 if the business agrees to provide the same amount of contribution for 2 consecutive tax years.	Authorized businesses subject to the following taxes: Corporate Net Income, Capital Stock Franchise, Bank & Trust Company Shares, Title Insurance Companies Shares, Insurance Premiums, Mutual Thrift Institutions
<u>Application Period</u> Fiscal year July 1 through June 30. Applications are processed on a first-come first-served basis.	Businesses must be approved to make contributions.	Applications will be processed until the amount of the available tax credits is exhausted.	

Enterprise Zone Tax Credit – (EZP)

<u>Organization & Program Contacts</u>	<u>Description & Use of Funds</u>	<u>Funding Available</u>	<u>Eligible Applicants</u>
Capital Region Economic Development Corporation	Credits may be applied to certain business taxes including Corporate Net Income & Capital Stock & Franchise. Qualified investments include site preparation, new construction, rehabilitation and expansion of existing buildings.	Tax Credits equal 25% of funds invested up to a maximum of \$500,000 Unused credits may be carried forward for 5 years.	Businesses that create new manufacturing or industrial jobs and make qualified investments in an EZ are eligible to apply for EZP Tax Credits
<u>Application Period</u>			