



VIEW*S* & VISIONS

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Tax Incentive Programs Offer Unique Opportunities for Redevelopment

Senator Camera Bartolotta
Pennsylvania State Senate

Pennsylvania State Senator Camera Bartolotta represents the residents of Beaver, Greene and Washington Counties. A longtime resident of Monongahela, she was elected to her first term representing the 46th Senatorial District in 2014.

She currently serves as Chair of the Senate Intergovernmental Operations Committee, which examines proposals to consolidate services and agencies and make state government operate more effectively and efficiently, and as Vice Chair of the Senate Environmental Resources and Energy Committee.

Senator Bartolotta is a member of the Senate Community, Economic and Recreational Development Committee; Senate Consumer Protection and Professional Licensure Committee; Senate Transportation Committee; and Senate Urban Affairs and Housing Committee. She co-chairs the bipartisan Senate Gas and Oil Caucus.

An active member of the community, Senator Bartolotta is involved with local chapters of the American Cancer Society, the American Heart Association, the United Way Board of Directors, the Leukemia and Lymphoma Society, the Cystic Fibrosis Foundation and Gilda's Club of Western Pennsylvania.

For several decades, southwestern Pennsylvania suffered through a severe period of economic hardship brought on by the decline of the steel industry. However, our region survived these struggles and is now enjoying an economic renaissance thanks to a broader and more diverse job market. Strong tax policies have helped drive our economic growth, including taking a sensible approach to the natural gas industry, avoiding broad-based tax increases at the state level and passing significant tax cuts at the federal level.

All of these factors appear poised to position our region for a brighter future in the years to come. Unfortunately, many communities throughout the region still bear the scars of neglect and poverty from decades past. One of the biggest challenges we face today is removing these deep scars by rebuilding and developing abandoned and underutilized properties in communities throughout the region and returning them to productive use.



One flexible tool available to distressed communities is the **Neighborhood Assistance Program**, which provides tax credits specifically for long-term community development projects. Tax credits of up to 80 percent can be awarded for a wide variety of projects, including affordable housing programs, community services, crime prevention, education, job training and charitable food efforts.

Since 2012, the program has awarded just over \$100 million in tax credits and leveraged more than \$300 million in corporate contributions toward these neighborhood projects. Southwestern Pennsylvania was the biggest beneficiary of the program in 2017 and 2018, receiving more than \$7 million in tax credits for 40 projects.



The Pennsylvania State Capitol in Harrisburg

Larger municipalities may also be eligible to participate in the **City Revitalization and Improvement Zone (CRIZ) Program**, which redirects state and local taxes collected within a designated zone to repay any debt service for economic development projects in that area. The program has proven to be an effective tool for some municipalities to revitalize downtown areas by attracting new investments, supporting business growth and creating quality jobs.

The CRIZ program was patterned after the **Keystone Opportunity Zone** and the **Keystone Innovation Zone** programs, which provide tax credits or abatements for businesses located in designated zones. Businesses in the manufacturing industry that increase annual taxable payroll by \$1 million or more through the creation of new full-time jobs can also take advantage of tax credits through the **Manufacturing Tax Credit Program**.

Tax credits are also available to offset various business tax liabilities through the **Job Creation Tax Credits Program**. The program provides tax credits of up to \$1,000 for each new job created in the state within three years.

Properties of historical significance may also qualify for the **Historic Preservation Tax Credits**. The program allows property owners to deduct up to 25 percent of qualifying expenses toward the restoration of a historic structure. The program is limited to income-producing properties in order to ensure projects provide an economic boost to the region.

In addition, communities can utilize a number of grant programs offered by the Department of Community and Economic Development, including the **Community Development Block Grant Program**. Grants and technical assistance are available through the program for projects, including housing rehabilitation, public services, community facilities, infrastructure improvement, development and planning.



Top: During a joint hearing of the Senate and House Transportation Committees, Senator Bartolotta questions a testifier on legislation that would allow for the testing of Highly Automated Vehicles on Pennsylvania's transportation system. Bottom: Senator Bartolotta (third from left) participates in a ribbon cutting ceremony to celebrate the opening of the new Hampton Inn and Suites in the California Technology Park, located one mile from California University of Pennsylvania.

The projects are specifically designated to be used for activities that benefit low-income individuals and families.

Beyond these tax incentives and grant programs, Pennsylvania's General Assembly is taking significant steps to address blight. Several new laws have been added to help counties and municipalities acquire, rehabilitate and sell abandoned properties and hold property owners accountable when structures fall into a dangerous state of disrepair.

It is my hope that these and other laws, coupled with sound economic and tax policy in state and federal government, will help set the stage for a new period of growth and prosperity in southwestern Pennsylvania that builds on our recent successes and erases the blemishes of the past. ▽