



Pennsylvania's Transferable Tax Credits

Keystone Innovation Zone (KIZ) – KIZ Companies operating in a targeted industry within a zone, and in business less than 8 years receive **50%** of the previous year's revenue increase as a tax credit. KIZ credits are capped at **\$100,000/year/company**.

Apply: September 15 *Receive:* December 15 *Sell:* After tax return is complete

Research and Development (R&D) – Companies receive **10%** of the increase in spending on R&D from the average spending of the previous 4 years. Smaller companies qualify for a **20%** credit.

Apply: September 15 *Receive:* December 15 *Sell:* After tax return is complete

Film - Production Companies receive **25%** of in state spending back as a tax credit for all national movies, TV or commercial film production.

Apply: Prior to spending *Receive:* At film completion *Sell:* After filing tax return

Education – Education donors receive **90%** of donations to preschool and K-12 scholarships and Educational Improvement Organizations as a tax credit up to **\$450,000/taxpayer/year**. A new program for Public Schools, Opportunity Scholarship Program, is now also available.

Apply: July 1 *Receive:* notification in September and donation by end of the year

Enterprise Zone - Businesses in Enterprise Zones receive **25%** of building renovation in tax credits up to **\$500,000** per project.

Apply: July 1 or November 1 *Sell:* 1 year after completion

Neighborhood Assistance – Nonprofit Organizations apply for a credit allocation to grant a **55%** tax credit to qualified donors.

Apply: July 1 or November 1 *Sell:* 1 year after award is issued

Resource Enhancement and Protection (REAP) - Farmers receive **50-75%** of spending as a tax credits for no till equipment and nitrogen reduction planning costs. Each entity can receive up to **\$150,000** in REAP Credits total.

Apply: August 1 *Sell:* 1 year after credit certificate is awarded

Pennsylvania Historic Tax Credits - Receive **25%** of improvements made to buildings registered on the Historic Registry up to **\$500,000**.

Apply: Begins July 1, 2013 *Sell:* 1 year later



Federal and Pennsylvania Employee Tax Credits

Federal HUD Zone Tax Incentives – Employers who hire and retain employees who live and work in designated Empowerment Zones or Renewal Communities can receive tax credits of up to \$3,000 or \$1,500 respectively.

Apply: Each year *Receive:* based on calendar year or pay-period of employee

Federal Hiring Incentive to Restore Employment Act (HIRE) – Employers who hire new employees who have not been employed for more than 40 hours during the 60-day period before beginning their employment qualify for up to \$1,000 tax credit per qualified employee.

Apply: Employee verification form when hired *Use:* On annual business tax return

Job Creation Tax Credits (JCTC) – Companies receive a \$1,000 per-job tax credit to create new jobs in the state within 3 years from the start date. Must create at least 25 new jobs or expand by 20%. Businesses with less than 100 employees are guaranteed at least 25% of allocated credits.

Apply: Available throughout the year *Receive:* when jobs are created

Keystone Special Development Zone (KSDZ) - Companies receive \$2,100 for each full time employee hired within a designated brown field.

Apply: after July 1, 2012 *Sell:* after tax return is complete

Keystone Works Program – This newly signed legislation allows employers looking for new hires to train unemployed workers while they are still receiving unemployment benefits. The program encourages employers to hire these trainees once their training is complete by receiving \$375 for every 4 weeks the new hire is employed up to \$1,500 per employee.

Apply: the application process will be released soon

Work Opportunity Tax Credit (WOTC) – Companies who hire unemployed veterans or wounded veterans receive a federal tax credit between \$2,400 and \$9,600 for each veteran hired.

Apply: Within 28 days of hiring *Use:* On annual or quarterly tax reports