

**COMMUNITY AFFAIRS**

**DIVISION OF COMMUNITY RESOURCES**

**Neighborhood Revitalization State Tax Credit**

**Proposed Amendment: N.J.A.C. 5:47-2.2**

Authorized By: Susan Bass Levin, Commissioner, Department of Community Affairs

Authority: N.J.S.A. 52:27D-498.

Proposal Number: PRN 2007-

Calendar: See Summary below for explanation of exception to calendar requirement.

Submit written comments by December 14, 2007 to:

Michael L. Ticktin, Esq.

Chief, Legislative Analysis

Department of Community Affairs

PO Box 802

Trenton, NJ 08625-0802

Fax Number: (609) 633-6729

---

**Susan Bass Levin  
Commissioner**

The agency proposal follows:

**Summary**

The proposed amendments would allow tax credits to be granted in an amount up to 100%, rather than 50%, of the approved assistance provided to a nonprofit organization to implement a neighborhood preservation and revitalization program and

would increase the allowable annual credit allowed to a business entity to \$1,000,000, rather than \$500,000, or the amount otherwise payable in taxes, whichever is less.

As the Department has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

#### **Social impact**

The proposed amendments would provide increased incentives for both nonprofit organizations and business entities to undertake neighborhood preservation and revitalization programs, thereby contributing to the enhancement of the quality of life in areas in need of such preservation and revitalization.

#### **Economic Impact**

While the State will forego tax income for which credits are granted, it gains revenue in the long run as a result of the economic activity generated by the projects funded with the assistance of the tax credits. Projects are likely to generate jobs and increase property values, thus benefiting property owners, workers and public entities.

#### **Federal Standards Statement**

No Federal standards analysis is required because the amendments are not being proposed in order to implement, comply with, or participate in any program established under Federal law or under a State law that incorporates or refers to Federal law, standards, or requirements.

#### **Jobs Impact**

This proposal is intended to encourage investment in areas in need of preservation and revitalization. Investment in such areas may be expected to stimulate job creation.

## **Agriculture Industry Impact**

The Department does not anticipate that the proposed amendments would have any impact on the agricultural industry.

## **Regulatory Flexibility Analysis**

The Department expects that this proposed amendments would not impose any recordkeeping, reporting or compliance requirements on "small businesses," as defined by the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 *et seq.* and would not require any "small businesses" to secure the services of professionals. The proposed amendments would only serve to increase eligibility for tax credits under an existing program.

## **Smart Growth Impact**

The Department expect the proposed amendments to stimulate development in urban areas and thus to have a positive impact upon the achievement of "smart growth" and the implementation of the State Development and Redevelopment Plan.

**Full text** of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

### **5:47-2.2 Tax credit allowable**

- (a) Credits may be granted in an amount up to [50] **100** percent of the approved assistance provided to a nonprofit organization to implement a qualified neighborhood preservation and revitalization project.
- (b)( No change.)

(c) The credit allowed to a business entity under this section may not exceed for any taxable year ~~[\$500,000]~~ **\$1,000,000** or the total amount of tax otherwise payable by the business entity for the taxable year, whichever is less, and, in addition, shall not exceed limitations placed on the amounts of credits or carry forward credits allowed, if any, under the relevant statute as enumerated in (b) above concerning the tax for which a credit is being claimed.

(d)-(h) (