



**151st GENERAL ASSEMBLY
FISCAL NOTE**

BILL: HOUSE BILL NO. 284
SPONSOR: Representative Dorsey Walker
DESCRIPTION: AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO THE NEIGHBORHOOD ASSISTANCE TAX CREDIT.

Assumptions:

1. This Act becomes effective upon the signature of the Governor.
2. This Act increases the Neighborhood Assistance Tax Credit (NAA) cap amount from \$1,000,000 to \$2,000,000.
3. The NAA encourages organizations and individuals who pay State of Delaware income taxes to invest in programs serving impoverished neighborhoods or serving low- and moderate-income families. In exchange for a qualified contribution, the NAA provides state tax credits equal to 50% of the investment. The tax credit is limited to the lesser of 50% of a qualifying investment or \$50,000 in any given year.
4. According to the Department of Finance's 2021 Tax Preference Report, the annual revenue loss associated with the credit as currently authorized is estimated at between \$750,000 - \$850,000. The annual revenue loss may not equal the maximum amount of credits authorized in statute due to some taxpayers not having sufficient tax liability to fully take advantage of the credit or through carrying forward any unused portion of the tax credit for up to five years.

Cost:

	General Fund Revenue Loss
Fiscal Year 2023	\$750,000 - \$1,000,000
Fiscal Year 2024	\$1,000,000
Fiscal Year 2025	\$1,000,000

Prepared by Robert Scoglietti
Office of the Controller General