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News From The Senate Democrats

SINGLETON, MCKNIGHT BILL TO PROVIDE ADDITIONAL \$50 MILLION IN TAX CREDITS FOR NEIGHBORHOOD REVITALIZATION CLEARS COMMITTEE

TRENTON – Aiming to enable more neighborhood revitalization projects, the Senate Community and Urban Affairs Committee advanced legislation sponsored by Senators Troy Singleton and Angela V. McKnight that would increase the limit of the total tax credits for the Neighborhood Revitalization Tax Credit (NRTC) program by \$50 million.

"The NRTC has operated for roughly twenty years to benefit distressed neighborhoods by supporting the rehabilitation of damaged properties, the construction of new community spaces, and the creation of new and permanent homes and businesses," said Senator Singleton (D-Burlington), the Chair of the Senate Community and Urban Affairs Committee. "Increasing the tax credits available under this program, which has a proven multi-decade track record of success, will enable more of these important efforts and benefit low-and moderate-income communities across New Jersey."

The NRTC, originally authorized by the Legislature in 2002, provides grants to community nonprofit organizations that, under revitalization plans approved by the DCA, invest in local improvements to benefit low-and moderate-income neighborhoods. 60 percent of the tax credit funds must be used for activities relating to housing and economic development, while the remainder can be used for a more diverse range of activities, which include assistance to small businesses, promoting the integration of mixed-income neighborhoods, and others.

The NRTC is funded by business entities that provide funding for qualified projects and thereby receive tax credits against various state taxes. These tax credits are capped at \$15 million per year. This bill, S-3170, would increase that cap to \$65 million. For any year in which the amount of tax credits certified for all qualified projects is less than the total amount of tax credits permitted to be approved in that fiscal year, the Commissioner of Community Affairs would certify the amount remaining and carry it over to the next fiscal year.

"This program has directly contributed to the construction of hundreds of units of new housing, rehabilitated abandoned homes for new occupancy, supported struggling small businesses, and more," said Senator McKnight (D-Hudson). "Funding more of these projects will expand their impact and, in the long run, make our communities stronger."

S-3170 was advanced in a unanimous vote.
