



# Enact a Community Development Partnership Tax Credit

## Successful Community Based Programs Struggle to Maintain Stable Funding

- Community based nonprofits run a broad array of local programs targeted to community needs.
- The programs range from support for elders and youth, to workforce training and asset development, to homebuyer counseling and lead paint abatement, to community planning and crime prevention, to support for small businesses and open space preservation, to other important community programs.
- These programs are typically constrained by a lack of adequate stable funding placing these badly needed community programs in jeopardy.
- Massachusetts is falling behind more than a dozen other states and municipalities that have enacted successful programs to provide a combination of public and private funding to targeted community development activities

## Passage of the Community Development Partnership Tax Credit Will Foster Joint Public/ Private Support for These Programs

MACDC supports the passage of the Community Development Partnership Program, filed by Senator Harriette Chandler and Representative David Torrisi (H. 3147, S. 1708) that establishes a \$10 million tax credit annually for five years, which allows taxpayers to receive an 80% tax credit for investment in a state-certified community development program or initiative run by a local community based organization.

1. A community organization is eligible to receive an investment if it is a nonprofit organization whose mission is to engage in community development to benefit low and moderate income (LMI) families, has meaningful representation from LMI residents on its board, has been in existence for at least 2 years, and can demonstrate the capacity to run a successful community investment program.
2. Qualified community organizations will apply for certification to State's Department of Housing and Community Development (DHCD) which will use a competitive selection process to certify high quality programs that meet the statute's criteria. Only \$10 million in credits will be available each year.
3. Contributions from individuals or businesses can range from \$5,000 to \$500,000 per year. No community partner may receive more than \$200,000 per year in investments. Investments may not be used to cover the direct capital costs of a project - for example land acquisition or project construction costs.

This program will promote excellence in community development by ensuring long term stable funding and fostering partnerships between the private sector and local community groups.

## Enact the Community Development Partnership Program Bill (H. 3147, S. 1708)

**MACDC**

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