

Tax Benefits for Business Firms

> ready > set > succeed

Corporate Net Income Tax Benefit

	NAP 55% Credit	Corporate Foundation	NAP 75% Credit	Corporate Foundation	NAP 80% Credit	Corporate Foundation
Contribution	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	–	(150,000)	–	(160,000)	–
Net Cash Outlay before Tax Costs/(Benefits)	90,000	200,000	50,000	200,000	40,000	200,000
Federal Tax Benefit of Contribution Contribution X Federal Rate	70,000	70,000	70,000	70,000	70,000	70,000
Reduction of State Tax Costs NAP Tax Credit X Federal Rate	(38,500)	–	(52,500)	–	(56,000)	–
Net Federal Tax Benefit of Contribution	31,500	70,000	17,500	70,000	14,000	70,000
State Tax Benefit of Contribution Contribution X State Rate	19,980	19,980	19,980	19,980	19,980	19,980
Reduction of Federal Tax Costs State Tax Benefit X Federal Rate	(6,993)	(6,993)	(6,993)	(6,993)	(6,993)	(6,993)
Net State Tax Benefit of Contribution	12,987	12,987	12,987	12,987	12,987	12,987
Net Cash Outlay after Tax Benefits	\$45,513	\$117,013	\$19,513	\$117,013	\$13,013	\$117,013
Cost Per \$100	\$23	\$59	\$10	\$59	\$7	\$59
NAP Tax Credit Additional Tax Benefit	\$71,500		\$97,500		\$104,000	

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%
State Corporate Net Income Tax Rate: 9.99%

For more information, contact:
Department of Community and Economic Development
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Tel: 717-787-1984 | Fax: 717-783-4663 | newPA.com

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“S” Corporation, Partnership & LLC - Pass-Through Entities Personal Individual Income Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay before Tax Costs/(Benefits)	90,000	50,000	40,000
Federal Tax Benefit of Contribution Contribution X Federal Rate	70,000	70,000	70,000
Reduction of State Tax Costs NAP Tax Credit X Federal Rate	(38,500)	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
State Tax Benefit of Contribution Contribution X State Rate	6,140	6,140	6,140
Reduction of Federal Tax Costs State Tax Benefit X Federal Rate	(2,149)	(2,149)	(2,149)
Net State Tax Benefit of Contribution	3,991	3,991	3,991
Net Cash Outlay after Tax Benefits	54,509	28,509	22,009
Cost Per \$100	\$27	\$14	\$11

TAX ASSUMPTIONS

Federal Income Tax Rate: 35%
State Personal Income Tax Rate: 3.07%

Capital Stock / Foreign Franchise Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay	90,000	50,000	40,000
Federal Tax Benefit of Contribution Contribution X Federal Rate	70,000	70,000	70,000
Reduction of State Tax Costs NAP Tax Credit X Federal Rate	(38,500)	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
Net Cash Outlay after Tax Benefits	58,500	32,500	26,000
Cost Per \$100	\$29	\$16	\$13

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%

Tax Rate: 2.89 mills

Tax Base: Capital Stock Value

Entities subject to Capital Stock / Foreign Franchise Tax:

- > Corporation
- > “S” Corporation
- > Limited Liability Company (LLC)

Bank and Trust Company Shares Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay	90,000	50,000	40,000
Federal Tax Benefit of Contribution Contribution X Federal Rate	70,000	70,000	70,000
Reduction of State Tax Costs NAP Tax Credit X Federal Rate	(38,500)	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
Net Cash Outlay after Tax Benefits	58,500	32,500	26,000
Cost Per \$100	\$29	\$16	\$13

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%

Tax Rate: 1.25%

Tax Base: Capital Stock Value (6 Year Average)

Entities subject to Bank and Trust Company Shares Tax:

- > Banks and Trust Companies

Title Insurance Shares Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay	90,000	50,000	40,000
Federal Tax Benefit of Contribution Contribution X Federal Rate	70,000	70,000	70,000
Reduction of State Tax Costs NAP Tax Credit X Federal Rate	(38,500)	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
Net Cash Outlay after Tax Benefits	58,500	32,500	26,000
Cost Per \$100	\$29	\$16	\$13

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%

Tax Rate: 1.25%

Tax Base: Capital Stock Value (6 Year Average)

Entities subject to Title Insurance Shares Tax:

- > Domestic Title Insurance Companies

Gross Premiums Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay	90,000	50,000	40,000
Federal Tax Benefit of Contribution	Contribution X Federal Rate	70,000	70,000
Reduction of State Tax Costs	NAP Tax Credit X Federal Rate	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
Net Cash Outlay after Tax Benefits	58,500	32,500	26,000
Cost Per \$100	\$29	\$16	\$13

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%

Tax Rate: 2.00%

Tax Base: Gross Insurance Premiums**

Entities subject to Gross Premiums Tax:

> Insurance Companies

Exempt: Title Insurance Companies subject to Title Insurance Shares Tax

** Includes Fire, Casualty, Title, Life, Accident & Health Insurance Premiums

Mutual Thrift Institutions Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay	90,000	50,000	40,000
Federal Tax Benefit of Contribution	Contribution X Federal Rate	70,000	70,000
Reduction of State Tax Costs	NAP Tax Credit X Federal Rate	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
Net Cash Outlay after Tax Benefits	58,500	32,500	26,000
Cost Per \$100	\$29	\$16	\$13

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%

Tax Rate: 11.50%

Tax Base: Net Earnings

Entities subject to Mutual Thrift Institutions Tax:

> Savings Institutions

> Savings Banks

> Savings and Loan Associations

> Building and Loan Associations