

# Tax Credits

The Coalition has been approved to distribute \$250,000 in NAP tax credits by March 31, 2011. Many gifts will be eligible for Missouri Tax Credits, allowing you to gain significant tax savings. For example:

|  |           |          |          |
|--|-----------|----------|----------|
| Donation to Coalition's Building Initiative  | \$ 10,000 | \$ 5,000 | \$ 1,000 |
| Federal Tax Deduction (Assuming 35% Tax Bracket)   | - 3,500   | - 1,750  | - 350    |
| Missouri Income Tax Savings (Assuming 6% Tax Bracket)  | - 600     | - 300    | - 60     |
| Additional Missouri Income Tax Savings From NAP Tax Credits  | - 5,000   | - 2,500  | - 500    |
| Additional Federal Taxes due to reduction of deductible state taxes (represents 35% of the tax credit) | + 1,750   | + 875    | + 175    |
| True Cost to Donor   | \$ 2,650  | \$ 1,325 | \$ 265   |

*The numbers above serve as an example only; please consult your legal and tax advisors on ways this program can specifically benefit you.*

## Frequently Asked Questions

### What are Neighborhood Assistance Program (NAP) tax credits?

NAP tax credits were created as incentives for business owners to increase their donations and keep their Missouri tax dollars in their own community.

### Who is eligible for NAP tax credits?

Any individual or organization with Missouri business or corporate tax liability is eligible to receive NAP tax credits on qualifying donations.

### What level of tax credits are available?

Qualifying contributions are eligible for a 50% tax credit.

### What kind of donations qualify?

Donations of cash, materials, supplies, and equipment (valued at the lesser of the fair market value or the donor's cost), professional services (valued at standard billing rate), labor (valued at employee's hourly wage plus fringe), and publicly-traded stocks and bonds are eligible for NAP tax credits.

### How long does a donor have to claim NAP tax credits?

Credits may be claimed during the tax year the donation was made or in the five succeeding tax years.

### How are the tax credits processed?

When a qualifying donation is received, the Coalition will return the appropriate paperwork to the donor to be signed. The donor will return the forms to the Coalition, and the information will be sent to the Department of Economic Development for processing. The credit will then applied to the donor's Missouri tax liability.