



**ASSOCIATION ON AGING WITH
DEVELOPMENTAL DISABILITIES**

Neighborhood Assistance Program (NAP) Tax Credits

The Association on Aging with Developmental Disabilities has been awarded Neighborhood Assistance Program (NAP) tax credits by the Missouri Department of Economic Development to help fund programs that prevent premature nursing home placement for seniors with developmental disabilities by providing aging in place services.



Missouri individuals/businesses with Missouri business income who donate **\$500 or more** are eligible for credits. The credit amount is equal to 50% of your donation. Credits allow you to save on both your federal and state tax liabilities.

| Donation Amount: | \$10,000 | \$5,000 | \$1,000 | \$500 |
|---|-----------------|----------------|----------------|--------------|
| In return, you get*: | | | | |
| Missouri Tax Credit | -5,000 | -2,500 | -500 | -250 |
| Missouri Tax Savings | -600 | -300 | -60 | -30 |
| Federal Tax Savings | -3,500 | -1,750 | -350 | -175 |
| Total Tax Savings (Federal and Missouri) | -7,140 | -3,570 | -714 | -357 |
| Net cost to donor | \$2,860 | \$1,430 | \$286 | \$143 |

**For donors in the 6% Missouri income tax bracket and 35% federal income tax bracket. Please consult your tax advisor to determine your exact savings.*

Who is eligible to receive tax credits? NAP credits are available to any person, firm or corporation in business in the State of Missouri. Besides corporations, this includes financial institutions, insurance companies, express companies, partnerships and their individual partners, small business corporations (S-corporations) and their individual shareholders, limited liability companies and their individual members, and individuals who either own and operate their own business, own and operate a farm in Missouri, or receive income from royalties or rental property in Missouri.



What is the eligibility time frame? From now through December 31, 2018.

What kind of donations are eligible? Gifts of stock or cash/monetary donations are accepted. The donation may not originate from a tax-exempt trust or foundation.

How do I apply? Individuals with business income or businesses who donate \$500 or more will automatically be mailed a tax credit application. Donors are required to provide proof of their donation with their signed and notarized application.

When may the credits be claimed? The credit may first be claimed on taxes due for the year the contribution was made, and extends for five additional tax years. The tax credit is only to be claimed on taxes due for that period, and any credit not claimed in that time will automatically be forfeited. The credit may not be used to offset taxes due for periods prior to the year of contribution.

Which Missouri taxes may be credited?

- The annual tax on gross premium receipts of insurance companies in Chapter 148, RSMo if applicable;
- The tax on banks determined under subdivision (2) of subsection 2 of section 148.030, RSMo if applicable;
- The tax on banks determined in subdivision (1) of subsection 2 of section 148.030, RSMo if applicable;
- The tax on other financial institutions in Chapter 148, RSMo if applicable;
- The corporation franchise tax in Chapter 147, RSMo if applicable;
- The state income tax in Chapter 143, RSMo if applicable, and
- The annual tax on gross receipts of express companies in Chapter 153, RSMo, if applicable.

May credits be transferred or sold? No, tax credits are not transferable or sellable.

Distribution of credits: Tax credits are limited. Therefore, they will be distributed on a first-come, first-served basis.

Is the NAP credit refundable? NAP tax credits are not refundable. Credits earned may only be used to offset actual liabilities. If you have credits in excess of your liabilities, you are allowed an additional 5 years to claim them. After 6 years, any unused credits will be forfeited.

For more information, who can I contact? Please contact Michelle Darden, Program Development Coordinator, at michelled.aadd@msn.com or (314) 647-8100 for more information. You can also visit the Missouri Department of Economic Development website at:
<https://ded.mo.gov/sites/default/files/programs/flyers/NAPProgramSummary2016.pdf>