



MISSOURI N.A.P. TAX CREDITS

Make your charitable dollars stretch further by using Missouri Neighborhood Assistance Program tax credits for contributions to Community LINC. Missouri tax credits are easy to use. Eligible donors receive an income tax credit up to 50% of the value of a donation to Community LINC.

For example, if you make a \$5,000 gift, your net cost would be only \$2,071.

Contribution illustration amount \$5,000	
Missouri Tax Credit (50% of gift) less goods and services value of \$400	(\$2,100)
Federal Income Tax Deduction (28%)	(\$1,288)
State Income Tax Deduction (6%)	(\$276)
Federal Tax due to reduction of deductible State taxes (35% of credit)	\$735
Net cost to you \$2,071	

The above calculation serves only as an example. For specific tax advice, please contact your accountant or personal tax advisor. For more information to reserve your tax credits with Community LINC, contact Colleen Jones at 816.389.8262.or email development@communitylinc.org. Tax credits are available on a first-come-first-served.

WHO QUALIFIES FOR CREDITS	
<u>Any Missouri:</u>	<u>Any Individuals who own or operate the following in Missouri:</u>
• Corporations or Express Companies	A) operate a <u>sole proprietorship</u> in Missouri
• Insurance Companies	B) operate a <u>farm</u> in Missouri
• Banks and financial institutions	C) have <u>rental property</u> - in Missouri
• Partnerships (and their individual partners)	D) receive <u>royalty or honorarium</u> income- in Missouri
• S-corporations (and their individual shareholders)	
• Limited Liability Companies (and their members)	

Six Simple Steps to apply for NAP Missouri Tax Credits:

1. If your business is a Partnership, S-Corporation, or Limited Liability Company, be sure to inform all partners, shareholders or members of their exact share of the credit as they will use the same benefit number listed on the business certificate.
2. **MAKE CONTRIBUTION TO COMMUNITY LINC.** Note that you would like to receive NAP Tax Credits. Community LINC will send you a tax credit application form to sign and return to Community LINC. If you do not receive the form within 30 days, please call Colleen Jones at 816.389.8262.
3. **COPY OF YOUR CLEARED CHECK** - Request a copy of the front and back of check from your bank showing it has been cleared. If you paid with a credit card or any other form of payment, you will need to provide proof that the funds were transferred from your possession. This could be in the form of a bank statement (you may block out all but the last 4 digits of the account number for security), a screen shot of your online banking page, or a certificate of stock donation
4. **FILL OUT & SIGN THE APPLICATION** – Instructions provided with form.
5. **RETURN FORM TO COMMUNITY LINC** - Mail your cleared check and signed application to Community LINC for submission to the Department of Economic Development.
6. **STATE OF MISSOURI** will send you a Credit Voucher, typically within 30 days of receiving the paperwork from Community LINC. File the Voucher with your taxes to redeem your tax credit from the State. Tax Credits are good for up to five years.

FAQ

1. WHICH MISSOURI TAXES MAY BE CREDITED?

The NAP credit may be claimed against the following taxes <u>in this order</u> :
a) The annual tax on gross premium receipts of insurance companies in Chapter 148, RSMo if applicable;
b) The tax on banks determined under subdivision (2) of subsection 2 of section 148.030, RSMo if applicable;
c) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030, RSMo if applicable;
d) The tax on other financial institutions in chapter 148, RSMo if applicable;
e) The corporation franchise tax in chapter 147, RSMo if applicable;
f) The state income tax in chapter 143, RSMo if applicable, and
g) The annual tax on gross receipts of express companies in chapter 153, RSMo, if applicable.

2. WHEN MAY THE CREDIT BE CLAIMED?

The credit may first be claimed on taxes due for the year the contribution was made and may be extended for five additional tax years until the credit is exhausted. The tax credit is only claimable for the six year period and any credit not claimed in that timeframe will automatically be forfeited. The credit may not be used to offset taxes due for periods prior to contribution.

3. MAY CREDITS BE TRANSFERRED OR SOLD?

No, NAP tax credits are not transferable or sellable.

4. IS THE NAP CREDIT REFUNDABLE?

NAP tax credits are not refundable. Credits can 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. Any unused credits will be forfeited.

5. HOW MUCH CREDIT MAY AN INDIVIDUAL CLAIM?

The amount of credit an individual may claim in any one year is only limited by his or her total liability; it is not limited to that portion of income that was business-related.

6. WHO IS ELIGIBLE TO RECEIVE THE NAP TAX CREDIT?

The Missouri Neighborhood Assistance Act makes this credit available to any person, firm or corporation with business income 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/or operate their own business, own and operate a farm in Missouri, or receive income from royalties or rental property in Missouri.

7. WHEN MUST THE TAX CREDIT APPLICATION BE SUBMITTED?

Current NAP Rules require the Tax Credit Application be submitted to DED within one year of the date of donation or the right to the credit is forfeited.

8. DOES THE NAP CREDIT APPLY TO WITHHOLDING TAX?

The NAP tax credit may not be used to offset withholding tax. NAP tax credits may only be used to offset income tax, franchise tax, financial institution tax, gross premium receipts tax, and gross receipts tax.

9. HOW DOES THE CREDIT AFFECT MY QUARTERLY ESTIMATED TAX PAYMENT?

Taxpayers who are required to make quarterly payments must anticipate what their tax liability will be, and make quarterly payments in an amount sufficient to defray that liability. If you anticipate taking advantage of the NAP credit, you may take that into account when determining the amount of your estimated payments. The donor would claim the NAP credit on their year-end tax return. You should consult with your individual tax preparer or accountant for specific information.

For information concerning this tax credit or a list of approved projects, visit the Department of Economic Development's website at www.ded.mo.gov or contact our office at 573.751.4539.

You can also contact Community LINC for more information at 816.389.8266 or development@communitylinc.org.