

## Neighborhood Assistance Program:

The Missouri Department of Economic Development offers a program called the Neighborhood Assistance Program (NAP). The purpose of NAP is to provide assistance to community-based organizations to enable them to implement projects that relate to community service, education, crime prevention, job training and physical revitalization.

The program works by providing Missouri income tax credits to eligible taxpayers for qualified contributions to approved NAP projects.

Eligible Projects must meet one or more of the following criteria:

- enhance the community to make it more desirable to live and work for citizens and workers, as well as pave the way for economic development
- promote, teach or contribute to the security and safety of Missourians
- provide scholastic instruction for Missourians preparing themselves for better opportunities (school districts, tuition-based schools, colleges and universities are not eligible to apply)
- provide skill development and other services enabling Missourians to become employable or seek a higher grade of employment
- aid in the physical improvement or rehabilitation of any part or all of a Missouri community

These tax credits are available in the amounts of 50% or 70% depending on community size and availability of funds. All communities within our 5-county region qualify for the 70% credits when they are available. These tax credits can be carried forward for five years. Thus, if a donor makes an eligible contribution of \$10,000 and receives 70% tax credits, they will be able to claim \$7,000 worth of tax credits on their applicable Missouri taxes and can spread that claim over a 5-year period if needed.

The maximum amount available for a single NAP project is \$350,000 in 70% tax credits or \$250,000 in 50% tax credits.

### **Eligible program applicants include:**

- Non-profit Corporations
- Organizations holding a 501(c)(3) ruling from the IRS
- Missouri businesses assuming full administrative and financial responsibility for the project
- Faith-based organizations that meet certain criteria

### **Ineligible program applicants include:**

- Units of government, political subdivisions and taxing districts
- Churches
- Faith-based organizations that do not meet criteria
- Partisan organizations

- Public or tuition-based private education institutions
- Multiple organizations sharing more than 50% of their board members in common
- Organizations with an existing NAP project

**Eligible Donors:**

Businesses only - individuals who operate a sole proprietorship, operate a farm, have rental property or have royalty income are also eligible, as well as a shareholder in an S-corporation, a partner in a Partnership or a member of a Limited Liability Corporation.

**Eligible Use of Tax Credits:**

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 – Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

**Application Procedure**

Applications for Fiscal 2011 will become available online in mid-March of 2010 and can be completed by the applicant organization. If you are interested in further information on this topic, you can go to the Department of Economic Development website at [www.missouridevelopment.org](http://www.missouridevelopment.org) or contact Arnie Kreek, Economic Development Planner at the Northwest Missouri Regional Council of Governments at 660-582-5121. Arnie will be glad to help you understand the application process.