**Program Name:** Neighborhood Preservation Tax Credit (NPA)  
**Department:** Economic Development  
**Contact Name & No.:** Nathan Potter 522-8006  
**Date:** July, 2013

| Program Category: Housing | Type: Tax Credit  

| Statutory Authority: 135.475 - 135.487, RSMo | Applicable Taxes: Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax

### Program Description and Eligibility Requirements:
Provide an incentive for homeowners in certain lower income areas to rehabilitate their home, or incentive for "in-fill" new construction of owner-occupied housing. Geographic eligibility restrictions; age of home restrictions; must be residence intended for owner-occupancy.

### Explanation of How Award is Computed:
Tax Credit of 25% - 35% of eligible renovation costs, or 15% of new construction. This is a calendar year program.

### Program Cap:
Cumulative $__________ (remainder of cumulative cap) $__________ Annual $ 16 million None

**Explanation of cap:** $8M for eligible areas; $8M for qualifying areas (as defined by law). Credits are awarded on a first-come first-served basis by utilizing a lottery system.

### Explanation of Expiration of Authority:

### Specific Provisions: (if applicable)
- Carry forward 5 years
- Carry Back 3 years
- Refundable ______
- Sellable/Assignable X
- Additional Federal Deductions Available _____

**Comments on Specific Provisions:**

<table>
<thead>
<tr>
<th>FY 2010</th>
<th>FY 2011</th>
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<tbody>
<tr>
<td>Certificates Issued (#)</td>
<td>202</td>
<td>97</td>
<td>41</td>
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<td>Projects (#)</td>
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<td>Amount Authorized</td>
<td>$10,290,561</td>
<td>$8,747,403</td>
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<td>$10,000,000</td>
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<tr>
<td>Amount Issued</td>
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<td>EST. Amount Outstanding</td>
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<tr>
<td>EST. Amount Authorized but Unissued</td>
<td>N/A</td>
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**Type:** Tax Credit

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### TAX CREDIT ANALYSIS

**Program Name:** Neighborhood Preservation Tax Credit (NPA)

#### Comments on Historical and Projected Information:

**BENEFIT: COST ANALYSIS (includes only state revenue impacts)**

<table>
<thead>
<tr>
<th></th>
<th>FY 2012 Actual</th>
<th>Other Fiscal Period 5 Years</th>
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<tr>
<td><strong>BENEFITS</strong></td>
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<tr>
<td>Direct Fiscal Benefits</td>
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<tr>
<td>Indirect Fiscal Benefits</td>
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<td>$607,477</td>
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<tr>
<td><strong>Total</strong></td>
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<td>$1,546,221</td>
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<tr>
<td><strong>COSTS</strong></td>
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<tr>
<td>Direct Fiscal Costs</td>
<td>$9,145,202</td>
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<tr>
<td>Indirect Fiscal Costs</td>
<td>$0</td>
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<tr>
<td><strong>Total</strong></td>
<td>$9,145,202</td>
<td>$9,145,202</td>
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<tr>
<td><strong>BENEFIT: COST</strong></td>
<td>0.09</td>
<td>0.17</td>
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</table>

**Derivation of Benefits:**
- **Investment:** (a) $60,800,028.97 in Non-residential Investment Demand in 2012.
- **Employment:** (a) n/a
- **Incentives/Credits:** (a) $9,145,201.93 in authorized NPA credits, redeemed in 2012.

Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.

The multi-year fiscal Benefit-Cost Ratio is .14 when other program incentives are included.

**Other Benefits:**
- In FY2012, every dollar of authorized program tax credits returns $1.34 in new personal income totaling $12.27 million.
- $2.67 in new value-added/GSP totaling $24.38 million.
- $4.29 in new economic output totaling $39.28 million.

**Over 5 years, every dollar of authorized program tax credits returns**
- $2.73 in new personal income totaling $25.01 million.
- $5.17 in new value-added/GSP totaling $47.27 million.
- $8.27 in new economic output totaling $75.59 million.

**PERFORMANCE MEASURE(S)**

#### Housing Units

<table>
<thead>
<tr>
<th></th>
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<td>296</td>
<td>109</td>
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**Comments on Performance Measure:**
TAX CREDIT ANALYSIS

Program Name: Neighborhood Preservation Tax Credit (NPA)

<table>
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<tbody>
<tr>
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<td>$62,652,841</td>
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Comments on Performance Measure:
