



NEIGHBORHOOD ASSISTANCE TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provide assistance to community-based organizations that enables them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training and physical revitalization.

AUTHORIZATION

Sections 32.100 to 32.125, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

- Not-for-profit corporations organized under Chapter 355, RSMo;
- Organizations holding a 501(c)(3) ruling from the IRS; and
- Missouri businesses

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.

ELIGIBILITY CRITERIA

The Department of Economic Development (DED) will issue 50% or 70% tax credits to an eligible taxpayer who makes a qualified contribution to an approved Neighborhood Assistance Program (NAP) project.

PROGRAM BENEFITS/ELIGIBLE USES

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

This credit's special attributes:

- Carry forward 5 years

FUNDING LIMITS

The maximum amount of tax credits available is \$16 million per fiscal year. The tax credits are allocated at the discretion of DED and are subject to change:

- \$10 million in 50% credits
- \$ 6 million in 70% credits (reserved for projects in certain lower population or unincorporated areas).

Applicant organizations may request a maximum of \$250,000 in 50% tax credits per project or \$350,000 in 70% tax credits per project if the organization is located in a qualifying rural area.

APPLICATION/APPROVAL PROCEDURE

Applications are accepted in two rounds. The due date for the first round of applications is usually set for late April or early May with a start date of July 1, and the second round of applications is generally due in late September or early October with a start date of January 1. (Check the DED NAP website for actual due dates.) The Department is targeting \$8 million in approved projects for Round 1 and \$8 million in Round 2; however, DED reserves the right to adjust allocations based on the quality of applications.

NAP staff is available to provide technical assistance to organizations making application to the program.

REPORTING REQUIREMENTS

Quarterly reports, final report, final audit for projects using \$25,000 or more in tax credits, and 1099 reporting.

CONTACT

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