

# LOOKING FOR WAYS TO REDUCE YOUR MISSOURI BUSINESS TAX LIABILITY? *WE CAN HELP YOU!*

The Rehabilitation Institute of Kansas City, a 501c3 non-profit organization founded in 1947, has **\$500,000 in Neighborhood Assistance Program tax credits**, awarded by the Missouri Department of Economic Development, available to qualified donors.

## WHAT ARE **NAP TAX CREDITS**?

Neighborhood Assistance Program (NAP) Tax Credits are a vehicle used by the Missouri Department of Economic Development to spur community investment. Tax credits are awarded to qualifying non-profit organizations through a competitive process. Approved non-profit organizations offer the tax credits in exchange for donations supporting an approved project or program. NAP Tax Credits:

- Reduce your gross Missouri business income by up to 50% of the amount donated.
- Credits may be used in the year of the donation or five years thereafter.

## DO I QUALIFY FOR A **NAP CREDIT**?

Any qualified person, firm or corporation with Missouri business income is eligible, including:

- Individuals with income from royalties or rental property
- Sole proprietors
- Corporations
- S-corporations
- Partnerships
- Limited liability corporations
- Farm operations

## WHAT KINDS OF CONTRIBUTIONS QUALIFY FOR THE CREDIT?

Contributions of cash, stocks and bonds may all qualify for the NAP credit. If you wish to contribute something other than cash, you are urged to first contact the Rehabilitation Institute of Kansas City.

## WHO WILL BENEFIT FROM MY CONTRIBUTION?

The Rehabilitation Institute of Kansas City (RIKC) is a health and human services organization dedicated to improving opportunities and outcomes for 2500 children and adults with disabilities annually. RIKC is our community's premier provider of medical rehabilitation, employment placement and specialty services including therapeutic learning for children and adults with complex disabilities. Our services address the most basic activities of daily living such as self-care, mobility and communication to more complex issues related to living independently, driving, attending school and working. While we serve all disability groups, we specialize in serving children and adults who have experienced a life-altering disability as a result of a brain injury, spinal cord injury, stroke or complex neurological condition. Our therapeutic learning programs address the needs of young children born with disabilities and special needs.

## HOW WILL MY CONTRIBUTION BE USED?

NAP tax credit gifts support our Rebuilding Lives: Restoring Hope Capital Campaign. The \$10,600,000 effort will fund the renovation of our 68,000 square foot facility located at 3011 Baltimore Avenue in Kansas City, Missouri. Our goals are to increase program capacity, improve accessibility and enhance operating efficiency. As of December 15, 2015, \$6,100,000 has been committed toward our goal. Lead supporters include the Hall Family Foundation, the Illig Family Foundation and the Sunderland. RIKC has received a \$500,000 challenge grant from the JE &LE Mabee Foundation of Tulsa, Oklahoma.

## HOW DO I GET THE NAP CREDIT?

The Rehabilitation Institute of Kansas City (RIKC) is familiar with the process and can assist you every step of the way. To qualify for the credit, an individual or business must make an eligible contribution to our Rebuilding Lives: Restoring Hope Capital Campaign. Here's how the process works:

- Make a qualified donation to RIKC and request the NAP credit.
- After RIKC receives your donation, we will mail you a Tax Credit Form to be completed within 12 months of donation.
- Mail the completed Tax Credit Form along with a copy of the front and back of your cancelled check or other documentation of your donation to RIKC.
- RIKC will submit the application to the Missouri Department of Economic Development.
- Within 60 days, you will receive notification of approval from the Department of Economic Development.
- Submit Form MO-TC with your Missouri income tax return to use the credits and reduce your tax liability.

## WHICH MISSOURI TAXES MAY BE CREDITED?

Because taxes can be complicated, we encourage you to consult with a qualified professional with respect to how Neighborhood Assistance Program Tax Credits may be used to reduce your Missouri tax liability. In general, NAP Tax Credits can be applied to:

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

## 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 the year of contribution.

## WHEN MUST THE TAX CREDIT APPLICATION BE SUBMITTED?

The Tax Credit application must be submitted to the Missouri Department of Economic Development within one year of the date of donation or the right to the credit is forfeited.

## MAY CREDITS BE TRANSFERRED OR SOLD?

No, NAP tax credits are not transferable or sellable.

## ARE NAP CREDITS 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.

## 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. On joint returns, both the husband and wife are limited by their individual portion of their total tax liability.

## 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 own and operate their own business, own and operate a farm in Missouri, or receive income from royalties or rental property in Missouri.

## WHO DO I CONTACT TO MAKE A GIFT?

**Dana Chatlin, Chief Development Officer**

Rehabilitation Institute of Kansas City

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