

# **Neighborhood Assistance Program (NAP) Tax Credits and Indiana Youth Group**

The Indiana Housing and Community Development Authority (IHCDA) offers up to \$2.5 million in NAP tax credits annually for distribution by 501(C)3 not-for-profit corporations. These organizations use NAP tax credits as an incentive to help leverage more contributions from individuals and businesses for certain neighborhood-based programs and projects. IYG was awarded \$20,800 in credits for the July, 2008 – May, 2009 period.

By contributing to IYG and utilizing our NAP Credits you can reduce your tax liability to the State of Indiana!

## **How NAP Credits Work**

When you contribute to IYG through this NAP program you receive 50% of your donation in the form of NAP credits which is deductible directly off of your state tax liability. As an example, a donation to IYG through this program of \$1,000 would give the donor a credit of \$500 off of their state tax liability.

Eligible donors include any person, business, or organization that has an Indiana income tax liability. Donors can make contributions over a period of time as long as it is in the same calendar year.

The process is very simple!

- Make a donation to Indiana Youth Group. The minimum donation is \$100; the maximum is \$50,000.
- Two forms must be completed and signed: a state form, NC-10, and an IHCDA form. IYG will supply these forms to you.

## **How do I reduce my tax obligation on my tax forms?**

First, have your tax preparer prepare your Federal taxes as normal. Be sure to give your tax preparer your donation letter from IYG for the contribution to claim the charitable contribution allowed by Federal guidelines for the tax year filed.

Secondly, you will receive from the Indiana Department of Revenue a NC-20 form which you will give to your tax preparer to utilize and claim your tax credit from the State. This credit will be fifty percent (50%) of the amount you donated to IYG! Your tax preparer will use this credit to reduce your tax liability to the State! This form will be mailed to you in the middle to end of March, 2009 for donations made prior to December 31, 2008.

## **How do I sign up?**

Call or email Indiana Youth Group and we will mail or email you everything you'll need. Thank you in advance for supporting Indiana Youth Group!

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