



PARAQUAD

Independence for People with Disabilities

NAP TAX CREDIT PROGRAM

Paraquad is pleased to announce the availability of NAP credits for qualifying donors who make gifts of \$500 or more!

Your gift enables Paraquad to provide the skills, tools, and support for people with disabilities to live and work independently. NAP donations will directly support our employment and independent living services, helping people with disabilities to overcome barriers and succeed in society.

The Neighborhood Assistance Program (NAP) allows qualified donors to receive a 50% deduction from their Missouri state income tax in addition to the standard federal deduction.

Along with your contribution you'll complete an application that we will send to the state on your behalf. A few weeks later, the Missouri Department of Economic Development will send you a letter indicating you have a tax credit for half the amount you donated.

For example, if your donation was \$1,000, you will receive a tax credit for \$500. When you file your taxes in April you will get to pay \$500 less. This is in addition to the standard federal deduction for charitable gifts.

Qualified donors include:

1. An individual who:
 - a. has rental property in Missouri
 - b. has royalty income in Missouri
 - c. operates a sole proprietorship in Missouri
 - d. operates a farm in Missouri
2. A corporation
3. A small business corporation (S corp)
4. A limited liability corporation or partnership
5. A partnership
6. An individual partner in a partnership or shareholder in an S-corporation
7. A bank, credit institution, savings and loan association, credit union, farmer's cooperative credit association, or building and loan
8. An insurance company

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Independence – Choice – Opportunity – Empowerment

www.paraquad.org

AFTER-TAX ECONOMICS OF NAP & YOP CREDITS

Through both the Neighborhood Assistance Program ("NAP") and the Youth Opportunities Program (YOP), Missouri state taxpayers can receive a 50% state tax credit for contributions to certain projects and organizations which are pre-approved by the state. The following example illustrates the potential effective after-tax cost of such a contribution*:

EXAMPLES OF INCOME TAX RESULTS TO DONOR:

Tax Bracket		35%	33%	28%	25%
Federal					
<i>Tax Savings</i> from deduction for charitable contribution (% of \$1,000)	A	350	330	280	250
<i>Tax Cost</i> of lowering the deduction for state taxes paid (% of item F below)	B	196	185	157	140
Subtotal	C	154	145	123	110
Missouri					
<i>Tax Savings</i> for NAP tax credit (50% of \$1,000)	D	500	500	500	500
<i>Tax savings</i> from deduction for charitable contribution (6% of \$1,000)	E	60	60	60	60
Subtotal	F	560	560	560	560
<i>Total Tax Savings (Federal and State)</i> (item C plus item F)		714	705	683	670
<i>After Tax Cost of \$1,000 Gift</i>		\$286	\$295	\$317	\$330

Assumptions:

Donor resides in Missouri, qualifies for and fully utilizes NAP credits
 Donor is in the 6% Missouri income tax bracket

* The example is provided for illustrative purposes only and does not constitute tax advice. You should not rely on the indicated results and should instead consult your own tax advisor prior to making a contribution.

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RESULTS FOR OTHER CONTRIBUTION AMOUNTS AT THE 35% FEDERAL AND 6% MISSOURI TAX BRACKETS:

\$5,000 GIFT	AFTER-TAX COST	\$1,430
\$10,000 GIFT	AFTER-TAX COST	\$2,860
\$20,000 GIFT	AFTER-TAX COST	\$5,720

For more information or questions about the NAP tax credit program, please contact Kate Thacker, Development Director at 314/289-4233 or kthacker@paraquad.org.