

JABA's State Tax Award for Donations

The Neighborhood Assistance Program (NAP) encourages partnerships between the private and public sectors to assist the economically deprived. State tax credits are provided as an incentive for businesses and individuals to contribute directly to JABA, Inc.

JABA, Inc. applies annually to receive NAP tax credits. We are awarded a certain amount. Thus far, if we have gone over the awarded amount NAP has been able to honor all of our requests with turned in tax credits from other organizations.

Regarding a Businesses Donation

- Business contributions may be in the form of cash, goods, stock, real estate, professional services, contracting services or the rent or lease of a participating nonprofit's facilities.
- In return for their contributions, businesses receive credits that may be applied against their state income tax liability
 - A business contributing directly to JABA, Inc. may receive a state tax credit for 40 percent of their total contribution. Tax credits may be available to a business making a minimum donation of at least \$1,000 but not more than \$437,500.

Example: Minimum - \$1,000 donation X .40 = \$400 tax credit
 Maximum - \$437,500 donation X .40 = \$175,000 tax credit per tax year

Regarding an Individual's or Married Couple's Donation

- Tax credits may also be available to individuals or married couples that make non-designated cash (check or charge card) donations directly to JABA Inc.
- The minimum donation is \$500 by an individual or a married couple.
- The value of the tax credit is equal to 40 percent of the donation.

Example: Minimum - \$500 cash donation X .40 = \$200 tax credit

A one page form needs to be completed and signed by the donor and by JABA's NAP staff coordinator, Nicolette Vidal Seckeler. Nicolette then submits the form along with documentation of the gift. The NAP office sends the state tax credit documentation directly to the donor.

JABA Inc. awards NAP state tax credits between January 1 and June 30th and again between July 1 and December 31st

- Donations may be given over the six months or all at once, but must add up to the allowable minimum amount to apply.
- All checks must be written to: Jefferson Area Board for Aging, Inc. or JABA, Inc.
- Gifts cannot be designated by the donor.
- Once the one page form is completed and signed by both the donor and JABA, JABA submits it to the state office.
- The NAP office sends the state tax credit documentation directly to the donor.

NAP tax credits may be used against the donor's state taxes over a period of three years; and, the donor can still claim their donation on their federal taxes.

NAP tax credits cannot be sold.