

NAP Guidelines

Amethyst House has received \$10,850 in NAP credits.

NC-10:

There is only one form to complete this year. Minimum donation is \$100. We can accept cash, check, or credit card. Forms with original signatures must be submitted. Please mail your form to Amethyst House, Attn: Gina Lovell, PO Box 11, Bloomington, IN 47402. If you have any questions please feel free to call Gina at 812-336-3570 ext 13.

Contributions from Couples:

PROVIDE ONE NAME ONLY.

- If the couple files a joint tax return, list only the name and social security number of the head of household on the NC-10 form.
- If the couple does not file a joint tax return, the name and social security number of the donor whose tax return the credit should be tied to must be shown on the NC-10 form.

NC-20 forms:

- **NC-20 forms will be sent directly to Amethyst House from IDOR in PDF format.** Amethyst House will be responsible for distributing all NC-20 forms to their donors. Donors that have contributed during the first half of the fiscal year should receive their NC-20 forms back in time to file their taxes in the spring. Please include your email address so that we can email your form. If you don't have an email address or don't want the form emailed I will print and mail the form.
- **Processing Time**
The Indiana Department of Revenue (IDOR) issues the NC-20 forms. Typically it takes approximately three to five weeks from the time that IDOR receives the reviewed quarterly reports from IHCDA. If you contribute the 1st Quarter July 1st through Sept. 30th you should received your NC-20 before Dec. 1st.

Instructions for Filing Form NC-10

(7/05)

Neighborhood Assistance Tax Credit Application

Form NC-10 must be filed by a taxpayer (including any S corporation, partnership, limited liability company, or individual) who makes a contribution and wishes to claim credit for the donation made to a qualified organization participating in the Neighborhood Assistance Program (NAP). The credit can be applied against a taxpayer's Indiana adjusted gross income tax, or the financial institution tax. 50% of the amount contributed is eligible for the tax offset credit up to a maximum of \$25,000. Form NC-10 is distributed by the Indiana Housing and Community Development Authority (IHCDA) through the Neighborhood Assistance Program.

Applications are filed through the neighborhood assistance organization. Each organization must have an approved program number from the IHCDA before a contribution qualifies for pre-approval. The State of Indiana is limited to granting a total of \$2,500,000 in Neighborhood Assistance Program tax credits per state fiscal year. Applications for credit will be considered in the chronological order as received by the Department of Revenue. For further instructions, refer to Income Tax Information Bulletin #22, issued by the Department of Revenue.

Completing Form NC-10

Complete the identification sections at the top of the form using the legal name of the contributor and the same tax identification number used for federal purposes. Check the type of tax return to be filed by the contributor (be sure to indicate the current tax year ending date).

Tax Credit Computation and Certification

Line 1: Enter the amount and kind of contribution made to the neighborhood assistance organization having a qualified tax credit program. The computation is based on contributed amounts from \$100 up to \$50,000. Credit is limited to the lesser of: fifty percent (50%) of the amount contributed, the state income tax due, or twenty-five thousand dollars (\$25,000).

Line 2: Enter the amount of your contribution multiplied by 50% (.50). This is the amount eligible for NAP tax credit, subject to the maximum credit limit and your income tax liability after applying other nonrefundable credits for the tax year of the contribution.

Line 3: Enter the lesser of line 2 or \$25,000. This tentative approved credit is available to offset only the annual state income tax or franchise tax liability. There is no carry over of unused credit to other taxable years. It is the responsibility of the contributor/taxpayer to claim the approved credit for the tax year in which the donation was made.

The credit application must be signed to be considered valid. If left unsigned, the application will be returned for signature. Proof of payment (copy of check, receipt from the neighborhood assistance organization, etc.) must be attached to this application.

To qualify for the credit, contributions other than cash must be contemplated by the program proposal submitted by the organization for approval. Any in kind contributions and services must be supported with invoices or other documents showing proof of costs to the donor. Cost of personnel on loan or the cost of time of an individual donor, contributed to render expertise and assistance, must be fully supported and are allowed to the extent the Internal Revenue Service rules for charitable deductions are applied.

Instructions for Recipient Organizations

The neighborhood assistance organization must fill in the recipient organization information sections of Form NC-10. List the neighborhood assistance organization's Federal Identification or Indiana taxpayer identification number (TID) and/or program number. An officer or delegate of the organization must verify receipt of each contribution by signing the certification section of the form.

It is the recipient organization's responsibility to file NC-10 form with the Indiana Housing and Community Development Authority. File completed NC-10 form with the quarterly report form on assigned due dates. Send to the **Neighborhood Assistance Program, 30 South Meridian, Suite 1000, Indianapolis, Indiana 46204.**

Applications filed with these state agencies are submitted to the Indiana Department of Revenue for a final determination. The Department will accept a properly completed contributor application and certification as proof of cash contributions.

When the tax credit application is approved, Form NC-20 will be mailed to contributor/taxpayer. **The approved credit is available to offset only the annual state income tax liability.** County income taxes may not be reduced. For purposes of this limitation, state income tax due is first reduced by any other nonrefundable credit according to I.C. 6-3.1-1-2, such as credit for taxes paid to other states and the college contribution credit, before the NAP tax credit is applied. There is no provision to carry back, carry forward, or refund any unused portion of the credit.

The Department will return the Form NC-20 with one of the following indications:

Approved -- Your credit request has been approved for the amount indicated on Form NC-20.

Attach the approved Form NC-20 to the Indiana tax return to support the claim. If a pass-through entity made a contribution does not have a state income tax liability, it must report the pro-rata share of the approved credit on information Schedule IN K-1. (Members of pass-through entities must attach a copy of Schedule IN K-1 to claim their allotted share of this credit.) Any excess credit on their return may not be refunded or carried over.

Disapproved -- Your tax credit request is not allowed. If the tax credit application is disapproved, a letter is sent to explain the reason for denial.

For all inquiries about the Neighborhood Assistance Program call: the Indiana Housing and Community Development Authority at 317-232-7777 or 1-800-872-0371 outside Indianapolis.