

**Harvesters – The Community Food Network
Neighborhood Assistance Program (NAP) Tax Credits
Guidelines & Frequently Asked Questions**

The following are the guidelines for donations eligible to receive NAP Tax Credits from Harvesters – The Community Food Network for donations received through June 30, 2009 or until all tax credits are exhausted.

Financial Donations

Financial donations to Harvesters are eligible to receive NAP tax credits if the gift is:

1. A new gift of money or food in the amount of \$1,000 or more; and
2. Directed to Harvesters' general food distribution program.

Frequently Asked Questions

1. 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 either own and operate their own business, own and operate a farm in Missouri, or receive income from royalties or rental property in Missouri.
2. What Will be the Amount of the Credit?
The amount of credit is equal to half of the contribution (50%). The value of food donations is the market (wholesale) value. The Missouri Department of Economic Development (DED) retains the right to place a final determination on the value of all non-cash donations.
3. What Kinds of Contributions Qualify for the Credit?
Contributions of cash and food product donations may qualify for the NAP credit. If you wish to contribute something other than cash (e.g. materials, supplies, equipment, technical assistance, professional services, labor, real estate, contract services, vehicles, or stocks and bonds), please first contact Harvesters. Financial institutions and insurance companies are prohibited by law from earning tax credits for investments which are part of their normal course of business. Individuals qualify for credit on non-cash donations of labor, goods or services only if they are in that line of business and are normally paid for providing the same.
4. What is the procedure for claiming the NAP credit?
 - To qualify for the credit, a business must make an eligible contribution to an approved Neighborhood Assistance project in the State of Missouri (Harvesters).
 - Obtain a current Tax Credit Application from Harvesters. Complete the application and submit the original to Harvesters. Please read all instructions on the back of the application. Attach the necessary proof of contribution, then sign and notarize the application before sending it to Harvesters.
 - Harvesters will review the application, verify the contribution was received, sign it, and forward it to DED for processing.
 - DED will review the application and notify you in writing of the amount of credit allowed. The Department of Revenue will also be notified. Please allow at least 2-3 weeks for processing an application. All credits are rounded down to the next lowest dollar amount. **DO NOT CLAIM THE CREDIT ON YOUR TAX RETURN UNTIL YOU HAVE RECEIVED OFFICIAL NOTIFICATION OF CREDIT APPROVAL.** The notification from DED consists of a tax credit certificate for eligibility of credit.

- If your business is a partnership, S-Corporation, or Limited Liability Company, be sure to inform all partners (shareholders or members) of their exact share of the credit, as allocated by DED. This credit allocation is based on percent ownership and may only be claimed in the manner approved.

5. Which Missouri Taxes May Be Credited?

The NAP credit may be claimed against the following taxes in this order:

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

6. When May the Credit be Claimed?

The credit may first be claimed on taxes due for the year the contribution was made, and extends for five additional tax years. The tax credit is only to be claimed on taxes due for that period, and any credit not claimed in that time will automatically be forfeited. The credit may not be used to offset taxes due for periods prior to the year of contribution.

7. May Credits be Transferred or Sold?

No, NAP tax credits are not transferable or sellable.

8. Is the NAP Credit 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.

9. 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.

10. When Must the Tax Credit Application be Submitted?

Current NAP Rules require the Tax Credit Application be submitted to DED within one year of the date of donation or the right to the credit is forfeited.

11. Does the NAP Credit Apply to Withholding Tax?

The NAP tax credit may not be used to offset withholding tax. NAP tax credits may only be used to offset income tax, franchise tax, financial institution tax, gross premium receipts tax, and gross receipts tax.

12. How Does the Credit Affect my Quarterly Estimated Tax Payment?

Taxpayers who are required to make quarterly payments must anticipate what their tax liability will be, and make quarterly payments in an amount sufficient to defray that liability. If you anticipate taking advantage of NAP credit, you may take that into account when determining the amount of your estimated payments. You should consult with your individual tax preparer or accountant for specific information.