

# Virginia Department of Social Services (VDSS) Neighborhood Assistance Program (NAP)



**You make a qualifying gift to Wesley Housing.**



**Your gift funds Wesley Housing initiatives.**



**You receive a federal charitable income tax deduction, plus up to 65% in Virginia Tax Credits.**

## What is the Neighborhood Assistance Program (NAP)?

NAP was created by the Virginia General Assembly to encourage businesses and individuals to make donations to approved 501(c)(3) organizations for the benefit of persons with low incomes.

State tax credits are available to **individuals** donating cash or securities of at least **\$500**. Tax credits may be offered up to 65% of the value of the donation and are limited to a maximum donation value of \$125,000 per year, or \$81,250 in tax credits.

**Example:** \$500 cash donation X 65% = \$325 tax credit to be used on the Virginia State Income Tax Return. This is in addition to your federal charitable income tax deduction!

Credits are also available to a **business/trust** donating at least **\$616**. Tax credits may be offered up to 65% of the value of the donation, and there is no maximum donation limit for a business or trust.

**Example:** \$616 donation X 65% = \$400.40 tax credit to be used on the Virginia State Income Tax Return. This is in addition to your federal charitable income tax deduction!

Business/trust donation types can include:

- check
- credit card
- electronic funds transfer
- stock
- real estate
- rent/lease of the organization's facility
- merchandise
- professional services
- contracting services
- health care services
- pharmaceutical services
- mediation services
- physician specialist services

## How do I apply for a tax credit?

Contact [wesleyhousing@whdc.org](mailto:wesleyhousing@whdc.org) to determine your eligibility and fill out the appropriate Contribution Notification Form (CNF). Return the completed form to Wesley Housing, and we will submit the CNF to VDSS to have your tax certificate issued and mailed to you.

## How do I report my NAP credits on my Virginia Income Tax Return?

Tax Credits are reported on Schedule CR filed with the Virginia Department of Taxation. Please refer all tax related questions to TAX at (804) 786-2992 or your tax advisor.

## What happens if my tax credits are more than my tax liability?

Tax credits are non-refundable; however, NAP tax credits that exceed your total Virginia State tax liability may be carried forward for up to five (5) years. This means donating more today will still benefit you in the future!