

How about a NAP????? ZZZZZ

A NAP credit that is. NAP is the Neighborhood Assistance Program of the State of Indiana and the Union Hospital Maternal Health Clinic is one of the 93 not-for-profits in the state to be awarded NAP credits which enables our donors to take a credit on their state income tax for 50 % of the donation. NAP credits are awarded each year on a competitive basis to selected organizations like the Maternal Health Clinic (MHC) that serve an economically disadvantaged population.

NAP credits are a win-win

Some have called it “an offer you can’t refuse.” Others refer to it as “almost too good to be true.” Regardless of the description, NAP credits are providing great benefits to donors and not-for-profit organizations throughout Indiana. The State of Indiana will “split” the cost of any gift of \$100 or more that you make to MHC. As long as the NAP credits are available, the State of Indiana provides an income tax credit equal to 50% for every contribution (cash, check, credit card or stock) over \$100. In addition, you may also be able to claim a federal tax deduction on the full donation amount.

MHC has received \$25,000 in tax credits to be distributed July 2006--June 2007. If all credits are distributed (by receiving \$50,000 in eligible donations), there is potential to earn more credits for more distribution which would improve our award eligibility for 2007-2008.

NAP facts:

- All gifts of \$100 or more are eligible for NAP credits.
- Tax credits are given for half of the amount of donation.
- Tax credits are given for the tax year when donation is made.
- The whole amount of donation may also be deducted for Federal Income tax purposes. (Please consult with your tax advisor).
- Credits are granted in the order they are received until all credits are used.
- You can take advantage of this opportunity twice—for both tax years 2006 and 2007. A donation made now through December qualifies for the 2006 tax year. After 12/31/06 (and before 6/1/07) a second donation can qualify for the 2007 tax year if credits are available.

The Paperwork

How does this work exactly?

1. You send your gift directly to The Union Hospital Foundation for the Maternal Health Clinic at 1606 N. 7th St. Terre Haute, IN 47804.
2. MHC sends you the Indiana Department of Revenue for NC-10 for your signature and you mail this back to MHC.
3. MHC then records the tax credit and prepares quarterly reports for the Indiana Department of Revenue.
4. Following the quarter, The Indiana Department of Revenue will mail a NC-20 form to you, the donor, for your records to obtain the credit at tax time.

The Result—How you collect from the State of Indiana:

If you have a refund: The State of Indiana sends you a larger refund – larger by half the amount of your gift to MHC

If you owe Indiana Income Tax: You may reduce the balance you owe The State of Indiana by half the amount of your gift to MHC.

Filing Joint* Taxable Income: \$12,000-\$47,450

\$400 Gift to MHC	\$200 Indiana Tax Credit Savings
	\$80 (avg) Fed Tax Savings
	\$120 (avg) Your Net Cost

Filing Joint* Taxable Income: \$47,451-\$100,000

\$400 Gift to MHC	\$200 Indiana Tax Credit Savings
	\$80 (avg) Fed Tax Savings
	\$120 (avg) Your Net Cost

Filing Single* Taxable Income: \$28,400-\$68,800

\$400 Gift to MHC	\$200 Indiana Tax Credit Savings
	\$76 (avg) Fed Tax Savings
	\$124 (avg) Your Net Cost

Filing Single* Taxable Income: \$68,801-\$143,500

\$400 Gift to MHC	\$200 Indiana Tax Credit Savings
	\$106 (avg) Fed Tax Savings
	\$92 (avg) Your Net Cost

**These are hypothetical examples and should be used for illustrative purposes only. Please consult a tax advisor for your personal tax savings. For more information, please contact Mary Huffman at the Maternal Health Clinic at 812-238-7301.*