

# NAP TAX CREDIT 2022 APPLICATION WEBINAR

APRIL 21, 2022

2PM

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<https://www.jotform.com/211655623715152>

Application open April 19-May 16

# AGENDA

NAP Summary

Application Overview

Updates to Manual

# NEIGHBORHOOD ASSISTANCE PROGRAM SUMMARY

The Neighborhood Assistance Program is a program of the State of Indiana that provides \$2.5 million tax credits annually to non-profit organizations for distribution as a fundraising tool for neighborhood projects.

NAP is created by Indiana Code 6-3.1-9.

NAP credits are worth 50% of the value of a contribution. This means that a \$200 donation nets a \$100 tax credit.

NAP is administered by the Indiana Housing and Community Development Authority (IHCDA).

Donations are reported to the Indiana Department of Revenue and a credit is given to the donor's state tax liability.

# NAP PROGRAM CYCLE

1. Apply, get approved, and sign award agreement with IHCD
2. Distribute at least 60% of awarded tax credits by December 31, 2022
3. Report on donations by January 17, 2023
  - a. IHCD will use this report and last round's second donor report to send information to IDOR
  - b. IDOR will use report information to honor 2022 tax credits submitted by donors
4. Distribute remaining credits by March 31, 2023
5. Report on remaining credits by April 17, 2023
6. Use funds to complete project or provide service outlined in application
7. Report on use of funds by September 25, 2023

# TAX CREDIT BASICS

## What is the difference between a Tax Credit, and a Tax Deduction?

A **tax deduction** reduces a taxpayer's taxable income.

A **tax credit** counts as if it were taxes already paid and reduces the taxpayer's total tax liability.

*Example:*

Taxpayer income: \$40,000

Tax rate: 25%

Tax Liability:  $(40,000 \times .25) = \$10,000$

- A \$1,000 tax **deduction** would reduce the taxpayer's taxable income to \$39,000.

$$40,000 - 1,000 = 39,000$$

$$39,000 \times .25 = \underline{\$9,750}$$

- A \$1,000 tax **credit** would reduce the taxpayer's tax liability to \$9,000.

$$40,000 \times .25 = 10,000$$

$$10,000 - 1,000 = \underline{\$9,000}$$

# NAP APPLICATION TIMELINE

- Release Date: April 18
- Webinar: April 21
- **Due Date: May 16 at 5pm Eastern**
- Awards Announced by: June 24
- Contracts Issues by: June 27
- Signed Contracts due: July 1
- Credits Can be Distributed Starting: July 1

Questions?

# NAP APPLICATION - ELIGIBILITY

## Organization Information

- Name, address, staff contacts, etc.
- Strong suggest using “**Agency Email**” instead of personal email so that more than one person can have access to database reporting

## Organization Eligibility

- EIN and prior IHEDA grant information
  - Prior grant information is necessary for our reporting system, not for eligibility determination
- Confirmation of IRS 501(c)3 designation – **document upload**
- Confirmation of Non-profit Domestic Corporation in Indiana
- Confirmation of good standing with Indiana Secretary of State – **document upload**

## Program/Project/Service Eligibility



# NAP APPLICATION – ELIGIBLE SERVICES

## INDIANA CODE 6-3. 1-9

Eligible services in a **designated economically disadvantaged area** (enterprise zone, opportunity zone, qualified census tract) or any other federal/local designated economically disadvantaged area in Indiana

- Neighborhood assistance
- Counseling and advice
- Emergency assistance
- Medical care
- Recreational facilities
- Housing facilities
- Economic development assistance

# NAP APPLICATION – ELIGIBLE SERVICES

Eligible services provided to **individuals** living in designated economically disadvantaged areas

- Job training (A)
- Education
- Crime prevention or reduction activities (A)

# NAP APPLICATION – DESIGNATED AREAS

What is an “economically disadvantaged area?”

- IC 6-3.1-9-1 (e): enterprise zone, or any other **federally or locally designated** economically disadvantaged area in Indiana. The certification shall be **made on the basis of current indices of social and economic conditions**, which shall include but not be limited to the median per capita income of the area in relation to the median per capita income of the state or standard metropolitan statistical area in which the area is located.

IHCDA recognizes CURRENT enterprise zones, opportunity zones and qualified census tracts – **other types can be accepted but need prior approval**

- [Urban Enterprise Zones](#)
- [Opportunity Zones](#)
- [Qualified Census Tracts](#)

# NAP APPLICATION – DESIGNATED AREAS

If seeking approval for another type of area, you must email [NAP@ihcda.in.gov](mailto:NAP@ihcda.in.gov) the following information:

- The name/type of area
- Who made the designation
- If you have it: when the designation was made and the data it was based on

For the question that asks you to identify your specific area, you **can only identify up to five areas**

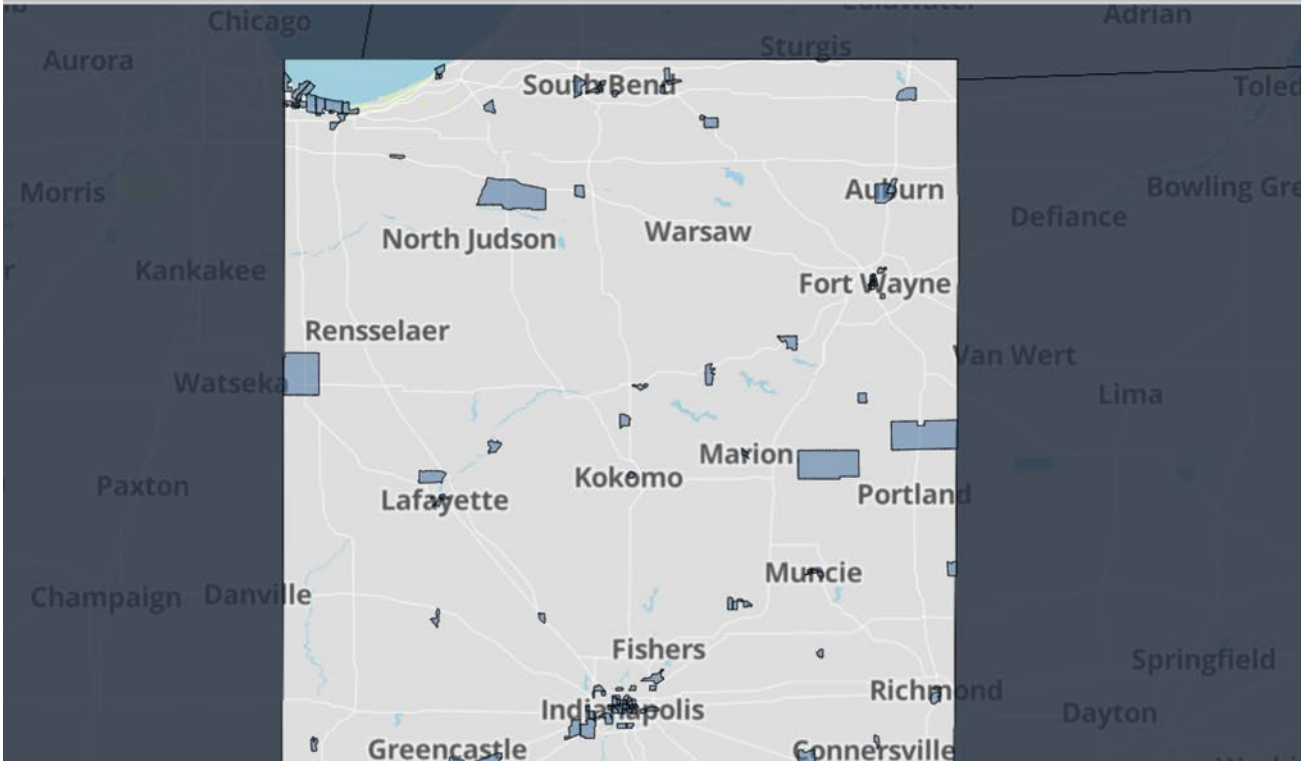
- IHCD is no longer accepting “we serve the entire NW Indiana region, which includes the following 20 designated economically disadvantaged areas:...”
- You must commit to spending raised funds in specific economically disadvantaged areas only.
- If that’s an issue, email [NAP@ihcda.in.gov](mailto:NAP@ihcda.in.gov)

# NAP APPLICATION – DESIGNATED AREAS

## Opportunity Zones Examples:

- Opportunity Zone Census Tract 18034000600
- OZ CT 18039000100 Elkhart

**IN.gov** | Indiana Governor Eric J. Holcomb | **NextLevel** | Ask Eric | Lt. Governor Suzanne Crouch | First Lady Janet Holcomb



Census Tract	County
18019050100	Clark
18019050401	Clark
18019050903	Clark
18025952100	Crawford
18027954700	Daviess
18033020500	DeKalb
18033020602	Dekalb
18035000600	Delaware
18035000700	Delaware
18035001300	Delaware
18035002800	Delaware
18037953800	Dubois
18039000100	Elkhart
18039000302	Elkhart
18039001601	Elkhart
18039002300	Elkhart
18039002900	Elkhart
18041954100	Fayette
18043070400	Floyd

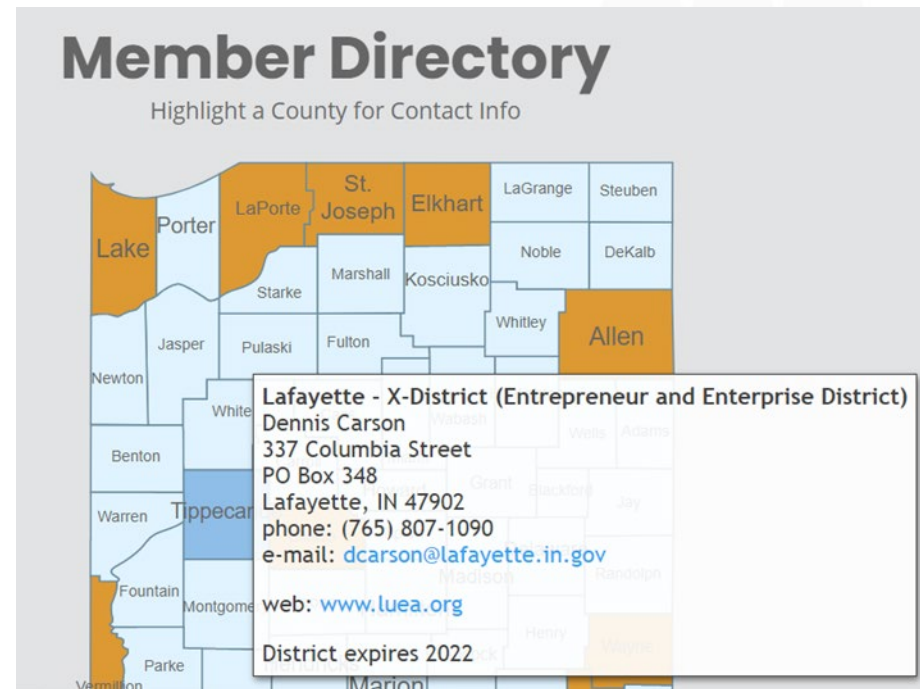
# NAP APPLICATION – DESIGNATED AREAS

## Enterprise Zone Examples:

- LaPorte UAE
- Vermillion Rise Mega Park Enterprise Zone

No longer appears to have a central map of all Enterprise Zones – will need to look on individual zone websites for maps

Start with Association of Indiana Enterprise Zones:  
<https://www.aiez.org/#mem>



**Member Directory**  
Highlight a County for Contact Info

The image shows a map of Indiana counties. Several counties are highlighted in orange: Lake, Porter, LaPorte, St. Joseph, Elkhart, Allen, and Vermillion. A pop-up window is overlaid on the map, providing contact information for the Lafayette - X-District.

**Lafayette - X-District (Entrepreneur and Enterprise District)**  
Dennis Carson  
337 Columbia Street  
PO Box 348  
Lafayette, IN 47902  
phone: (765) 807-1090  
e-mail: [dcarson@lafayette.in.gov](mailto:dcarson@lafayette.in.gov)  
web: [www.luea.org](http://www.luea.org)  
District expires 2022

# NAP APPLICATION – DESIGNATED AREAS

Qualified Census Tract example: QCT 18003004400

Search state and county, make sure to use 2022 QCTs, then double-click where your service is located

Enter an Address, city, state or tract  Go Indiana Allen

Map Options : [Clear](#) | [Reset](#) | [Full Screen](#)

QCT Legend: Tract Outline LIHTC Project 2021 Qualified Census Tracts

SADDA Legend: FMR Boundary ZCTA Boundary 2021 Small DDA Part DDA

[Click here for the overview](#)

Map Options  
13 Current Zoom Level  
 Show Difficult Development Areas (Zoom 7+)  
 Color QCT Qualified Tracts (Zoom 7+)  
 Show Tracts Outline (Zoom 11+)  
 Show FMR Outlines (Zoom 4+)  
 Show LIHTC Projects (Zoom 11+)

[Click here for full screen map](#)

Select Year  
 2021  
 2020

Map Satellite

Fort Wayne

Lakeside Bowl and Event Center

International Park

QCT for 2021

Tract	44.00
County	Allen County
State	IN
Status (2021)	Qualified
Full Tract Number	18003004400

Questions?



# NAP APPLICATION – DESIGNATED HOUSEHOLDS

What is an “economically disadvantaged household?”

- IC 6-3.1-9-1 (f): means a household with an annual income that is at or below eighty percent (80%) of the area median income or any other federally designated target population (125% FPG).

- Job Training (B)
- Crime Prevention (B)

Other types of federally-approved income qualifications can be accepted, but will need to be identified in the application

Describe how your organization checks for income

# NAP APPLICATION – PROJECT DESCRIPTION

Describe your NAP project/program/service

- Refer to manual section 400 for directions on what to include in the description!!!
- Ex service: Housing Facilities
- Ex prompt: In your application’s project description, explain the activities NAP funds will be used for and how you will support housing facilities
- Tip: use the same phrasing from the service type and prompt.  
Ex: “Our NAP-funded program supports housing facilities in our service area by [activity description].…”

# NAP APPLICATION – PROJECT DESCRIPTION

Description must be explicitly tied to the NAP-eligible service you selected. See manual pages 8-10 for more information.

- Ex: if your project is to fund swim lessons in your facility's pool, don't label the program "Education;" "Recreational Facility" would be more appropriate.

For services that must be provided in a **specific area**, describe how you will provide services in that area

- Are services provided from your office in that area?
- Do you provide services at a partner agency in that area?

# NAP APPLICATION – CREDIT REQUEST

Credit request based on past two years (2020 and 2021)

- Up to \$15,000 if your agency has received NAP credits in last two years and met relevant program reporting requirements
- Up to \$5,000 if your agency is new to NAP or missed reporting requirements in past two years

Notes on credits:

- Credits are what IHCDA awards you, outlined in award agreement
- Funds are what you raise when you distribute credits to donors
- IHCDA will ask about both:
  - How many credits did you distribute?
  - How much funding did you raise and spend on your project?

# NAP APPLICATION

## Recognition of Reporting Requirements

- Must hit benchmarks and submit benchmark reports on time in order to keep full eligibility for 2023 credits
- Must submit Closeout Report on time in order to keep eligibility for 2024 credits

Confirmation of all information within application and that funds will not be used for religious purposes

## Submitting your application:

- MUST hit “Submit”
- Should receive email confirmation – if not, email [nap@ihcda.in.gov](mailto:nap@ihcda.in.gov)
- Link in confirmation email allows you to make corrections to application

Questions?

# AWARD PROCESS

The formula below is used to determine the value of an applicant's NAP award. Elements such as the total available credits and the requested credit amount by approved applicants are taken into account.

This means that the amount of credits you receive is based on the total amount that has been requested, rather than IHCDA's discretion

$\left( \frac{\text{Total Available Credits}}{\text{Total Requested Credits}} \right)$	=	Allocation Percentage	X	Applicant Requested Credits	=	Award Amount
$\left( \frac{\text{(\$2.5 million in 2016)}}{\text{Total Requested Credits}} \right)$						

# 2022-2023 Program Timeline

Awards Announced	June 24, 2022
Agreement Issued by	June 27, 2022
Agreements Returned	July 1, 2022
Start Distributing Credits	July 1, 2022
60% Benchmark	December 31, 2022
Mid-Year Donor Report Due “first half”	January 17, 2023
100% Benchmark	March 31, 2023
End of Year Donor Report Due “second half”	April 17, 2023
Close-Out Report Due	September 25, 2023



# REMINDERS/ INCLUDED IN MANUAL

- If a reporting requirement is missed, organization can still apply next round, but only as a new organization
- Additional information provided about funds raised from distributing credits needing to be spent based on application submission, specifically around service-type and either location or population served
- Sections on eligible services split based on area/population/other, and information provided on what to include in the application description
- Maximum amount a returning organization can apply for lowered to \$15,000
- “New Organization” definition based on two years (2020 and 2021)
- Information on donations from 401ks added; information on IRA contributions updated

# CONTACTING IHCD

If you have a **program question**, first review your agreement and the documents provided on IHCD's website:

<https://www.in.gov/ihcda/program-partners/neighborhood-assistance-program-nap/>

- NAP Manual, NAP FAQ, NAP Reporting Instructions
- Links to Benchmark reports and Closeout reports are already posted
- NAP Contribution Form
- Archived NAP documents from previous years

If you can't find your answer in those resources, or if you find conflicting information, please email us at [nap@ihcda.in.gov](mailto:nap@ihcda.in.gov).

- Include your organization, your contract/agreement/award number (2022-NP-xxx), and the exact report if it's a reporting-related question

Email [nap@ihcda.in.gov](mailto:nap@ihcda.in.gov) about issues with IHCDOnline

- Most common issues include an organization failing to register in the system, or an individual is using someone else's log-in, which is **NOT ALLOWED**

**Thank you for participating in this webinar. It is recorded and will be added to NAP website.**

**If you have any unanswered questions, please contact us at  
NAP@ihcda.in.gov**