

WV/NIPA-2

NEIGHBORHOOD INVESTMENT PROGRAM CREDIT SCHEDULE INSTRUCTIONS (For periods AFTER January 1, 2015)

GENERAL INFORMATION

The West Virginia Neighborhood Investment Program Act (WV Code §11-13J) provides credit to individuals and private sector businesses which make eligible contributions to community based nonprofit organizations that establish projects to assist neighborhoods and local communities. These projects provide services such as health care, counseling, emergency assistance, crime prevention, education, housing, job training and physical and environmental improvements.

Eligible projects are determined by application to the **West Virginia Development Office** and The Neighborhood Investment Advisory Board through one of two approaches:

1. qualification based on contributions destined for a certified economically disadvantaged area; or
2. qualification by need (regardless of location).

Contribution eligible for the credit include cash, tangible personal property (valued at its fair market value), real property (valued at its fair market value), and contributions of in kind professional services (valued at 75 percent of their fair market value). Effective June 10, 1999, eligible contributions were expanded to include publicly traded corporate stock, with the requirement that such stock must be sold within one hundred eighty (180) days after its receipt by the transferee. No taxpayer is allowed more than \$100,000 of tax credits for eligible contributions made during a taxable year, whether the contributions are made pursuant to one or more certified project plans. The minimum contribution of a taxpayer that would qualify for the credit during a tax year is \$500 and the maximum contribution is \$200,000. The total amount of tax credits allowed pursuant to project plans certified by the West Virginia Development Office during any fiscal year is limited to \$3,000,000. The credit is available for taxable years ending after June 30, 1996. **This credit expires July 1, 2021.**

Eligible Taxpayers

Eligible taxpayers may claim the credit as provided in WV Code §11-13J-5. An eligible taxpayer is any person or entity subject to the Corporation Net Income Tax or Personal Income Tax that makes an eligible contribution to a qualified charitable organization pursuant to the terms of a Certified Neighborhood Investment Program Project Plan.

Amount of Credit

The amount of the allowed credit is 50 percent of the taxpayer's eligible contribution to a qualified charitable organization that has received approval from the Neighborhood Investment

Advisory Board and has been certified by the West Virginia Development Office. The allowed credit must be taken within a 5-year period, beginning with the tax year in which the taxpayer irrevocably transfers its eligible contribution to the project. The maximum amount of credit allowed per year for any one taxpayer is one hundred thousand dollars (\$100,000), and the total maximum credit which may be certified in any fiscal year is two million five hundred thousand dollars (\$3,000,000) in the aggregate.

Termination of Credit. The Neighborhood Investment Program Act is scheduled to terminate on July 1, 2021, and no credit shall be available for contributions made after that date. Taxpayers who have made eligible contributions to certified projects prior to July 1, 2021, shall retain entitlements to the credit for the remainder of their eligible period.

Claiming the Credit

The Neighborhood Investment Program Tax Credit is claimed by completing Form WV/NIPA-2, **Neighborhood Investment Program Tax Credit Schedule**. Please retain this schedule in your records.

INSTRUCTIONS FOR COMPLETING THE NEIGHBORHOOD INVESTMENT PROGRAM CREDIT SCHEDULE

- Line 1 Enter the project number for each project for which credit is claimed, and the amount of project tax credit from the corresponding tax credit schedule WV/NIPA-2 (Rev. 1/16). If there are more than three projects, attach a separate page. Also, attach a copy of the voucher for each project for which credit is claimed and proof that payment of the amount of each eligible contribution has been made. Failure to attach a copy of the voucher will result in the credit being disallowed.
- Line 2 Enter the project number and amount for each project for which credit is carried forward from previous years.
- Line 4 This is the lesser of the total allowable credit or \$100,000.

**PARTNERSHIPS, S CORPORATION OR
BENEFICIARIES OF AN ESTATE OR TRUST SHOULD
ONLY COMPLETE LINES 5a THROUGH 8f.**

Line 5a This is the amount of this year's Corporate Net Income Tax liability determined before applying any credits.

Line 5d This is the amount of credit which may be applied

against Corporation Net Income Tax for the current year. This amount should be shown on **CNF-120TC, "Summary of Corporation Net Income Tax Credits"** to claim the credit on **CNF-120, "West Virginia Corporation Net Income Tax Return."** Any portion of this amount which is not used in the current tax year is forfeited and cannot be carried forward or back to any other tax year.

INDIVIDUALS AND SOLE PROPRIETORS SHOULD ONLY COMPLETE LINES 8a THROUGH 8d.

Line 6a This is the amount of West Virginia Income Tax liability of any estate or trust determined before applying any credits.

Line 6d Carry to four decimal places.

Line 6f This is the amount of credit which may be applied against the estate's or trust's income tax for the current tax year on IT-141, **"West Virginia Fiduciary Income Tax Return."**

Line 7a This the income tax due before applying any credits.

Line 7f This is the amount of credit which may be applied against Personal Income Tax for the current year on IT-140.

Line 8a This is the Personal Income Tax due before applying any credits.

Line 8d This is the amount of credit that may be applied against Personal Income Tax for the current tax year on IT-140.

If you have questions concerning this credit schedule please contact the

West Virginia State Tax Department

Taxpayer Services Division

P.O. Box 3784

Charleston, West Virginia 25337-3784

Telephone: (304) 558-3333 or

Toll free: 1-800-WVA-TAXS (1-800-982-8297)

Internet Address: tax.wv.gov

If you have questions regarding project certification, you may contact:

West Virginia Development Office

Community Development

1900 Kanawha Blvd. East

Building 6 Room 553

Charleston, WV 25305-0311

Telephone: 304-558-2001