
NEIGHBORHOOD ASSISTANCE PROGRAM (NAP)

When you make a donation of at least \$500 to FISH, you may be eligible for a generous state tax credit that reduces the amount of state tax that you pay.

THE PROGRAM

The Commonwealth administers a program to encourage Virginians to contribute to non-profit organizations like FISH that provide assistance to low-income persons. Called the Neighborhood Assistance Program (NAP), the program allows individuals and businesses to receive state tax credits for donations to approved organizations. The minimum eligible contribution is \$500 for individuals and \$616 for businesses. Donors to FISH are currently eligible for a tax credit of 65% of the donation; for example, if you make a \$1,000 contribution, your state tax liability would be reduced by \$650. The supply of tax credits allocated to FISH each year is limited.

DETAILS

Even if you are getting a state tax refund, your NAP credit will still increase the amount of your refund. (For example, if you would be getting a refund of \$300 before applying your NAP tax credit of \$500, your total refund would be \$800.) However, if your NAP credit exceeds your total tax liability, the credit will be applied only up to the amount of your tax liability. (For example, if your total tax liability for the year is \$400 and you have a nap tax credit of \$500, your taxes will be reduced by only \$400, to \$0.) But in that instance, you can carry forward the “excess” credit (\$100 in the example) to future years for up to five years, which may mean that you get credit for the donation in future tax years.

THE PROCESS

When you make a donation of \$500 or more that you want to be eligible for the credit, FISH will process your gift and send you a receipt and a simple form that the state requires you to complete. Once you complete and send in the form to FISH, we forward all the necessary NAP paperwork to the the Virginia Department of Social Services. In six-to-eight weeks, you will receive your NAP tax credit certificate directly from the state of Virginia. When you are ready to file your state taxes, if you file by mail, you will file your credit certificate along with your tax forms. If you file electronically, the Department of Taxation will match the return with the report of approved tax credits.