Building Community and Saving Money

Sponsored by New Hampshire Businesses for Social Responsibility
Nonprofits scramble for cash

Private support is key as public dollars dwindle

By MEGAN DOYLE
Monitor staff

The Friends Program in Concord used to receive more state funding for its four programs — a family homeless shelter, a foster grandparent program, a volunteer program for seniors and a youth mentoring program.

But Executive Director Jerry Madden doesn’t like to reminisce.

“I put a lot of the state funding in my rearview mirror a few years ago, because it’s not coming back,” Madden said.

He was, however, surprised to see a downturn in funding from Granite United Way. In 2006, the organization awarded a total of $160,000 in grants to the Friends Program. By this year, the total came in a little over $52,000. The family shelter alone, which has received $35,000 in years past, didn’t receive any money at all.”
CDFA Tax Credit
CDFA Tax Credit Program
The NH Tax Credit Program

NOT an entitlement

CONDITIONS

NOT CASH

FLEXIBLE
“...The project shall be of public benefit and for a public purpose...”
“...the development or redevelopment...of target areas or target populations”

“...contribute to the economic development of the state...”
“...increase or maintain threatened primary employment...”

“...provide affordable housing opportunities to low and moderate income people...”
“...expectation the project will be successful...”

“...private industry shall have not provided sufficient capital...”

“...participation is necessary to the successful completion...”
Project Focus Areas

- Job creation/retention/access
- Affordable housing
- Development and revitalization
Specific Outcomes

- Jobs
- Affordable Housing
- Economic Impacts
- Energy Savings
- Reduced Reliance
- Increased Tax Base
CDFA Tax Credit Projects

Enterprise Center at Plymouth - Plymouth
CDFA Tax Credit Projects

Monadnock Food Co-op – Keene
CDFA Tax Credit Projects

Harriman Hill Apartments – Wolfeboro
CDFA Tax Credit Projects

Cotton Mill Apartments - Nashua
CDFA Tax Credit Projects

Portsmouth Music and Arts Center – Portsmouth
CDFA Tax Credit Projects

The Friendly Kitchen - Concord
The Tax Credit

- 75% tax credit against contribution
- Used to pay NH business taxes
  - Business Profits Tax (RSA 77-A)
  - Insurance Premium Tax (RSA 400-A)
  - Business Enterprise Tax (RSA 77-E)
- Use credit after donation
- Use within 5 years of donation
Investments include:

- Cash
- Property
- Securities
Easy to claim

<table>
<thead>
<tr>
<th>APPLICATION OF CREDITS TO BET AND BPT</th>
<th>Round to the nearest dollar</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. CDFA - Investment Tax Credit (ITC)</td>
<td>1  7  5  0  0  0</td>
</tr>
<tr>
<td>1. ITC Credit Available</td>
<td></td>
</tr>
<tr>
<td>2. Carry over credit from a prior year, use earliest year first</td>
<td></td>
</tr>
</tbody>
</table>
The Donor’s Benefit

$10,000 DONATION

-$7,500 TAX CREDIT

($10,000 \times 75\%)

$2,500 ADDITIONAL TAX BENEFITS*
NH Business Profit Tax Benefit

<table>
<thead>
<tr>
<th>Without CDFA Tax Credit</th>
<th>With CDFA Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net NH Taxable Income</td>
<td>$100,000</td>
</tr>
<tr>
<td>NH BPT Rate</td>
<td>x 8.5%</td>
</tr>
<tr>
<td>Total NH BPT Liability</td>
<td>$8,500</td>
</tr>
</tbody>
</table>

BPT Savings = $850
### Federal Income Tax Benefit

<table>
<thead>
<tr>
<th>Description</th>
<th>Without CDFA Tax Credit</th>
<th>With CDFA Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Income before Contribution</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>less: Contribution to CDFA</td>
<td>$0</td>
<td>- $10,000</td>
</tr>
<tr>
<td>less: NH BPT Net of Tax Credit</td>
<td>-$8,500</td>
<td>-$150</td>
</tr>
<tr>
<td>Adjustments to Taxable Income</td>
<td>-$8,500</td>
<td>-$10,150</td>
</tr>
<tr>
<td>Net Federal Taxable Income</td>
<td>$91,500</td>
<td>$89,850</td>
</tr>
<tr>
<td>Federal Income Tax Rate</td>
<td>x 34%</td>
<td>x 34%</td>
</tr>
<tr>
<td>Net Federal Income Tax</td>
<td>$31,110</td>
<td>$30,549</td>
</tr>
</tbody>
</table>

**Federal income tax savings = $561**
Net Tax Savings

Tax Credits Received  - $7,500
NH BPT Savings       - $850
Federal Income Tax Savings - $561

Net Tax Savings       - $8,911

Contribution from Donor $10,000
Net Cost to Donor     $1,089
Net Percentage Cost to Donor 10.9%
Online Tax Calculator

Contribution Through CDFA Tax Credit

Amount of Contribution: $10,000

Business’s Estimated Taxable Income: $99,999

Without Contribution

With Contribution

Net Savings: $1,089
10.9%
$10,000
- TAX CREDITS
$1,089

$50,000
- TAX CREDITS
$5,445

$95,000
- TAX CREDITS
$10,345
Current Projects

Information for businesses interested in tax credits

CDFA is pleased to offer New Hampshire businesses the unique opportunity to target their tax dollars to community development projects that will provide a 75% state tax credit through the Tax Credit Program. This program enables businesses to invest cash, securities, or property in community development projects in exchange for this 75% tax credit. A business may choose to focus its investment in any or all of the business profiles, business enterprise, or real estate categories. This is a great way for a business to impact a community by leveraging tax dollars. For more on how CDFA tax credits can affect your tax liability, see the tax calculator.

Below is a list of projects that still have CDFA tax credits available for the next fiscal year. For a list of all projects awarded by CDFA, click here.

Click here to view all CDFA Investment Tax credits awards 2007-2019 in a full list.

Want to know more about CDFA and the Tax Credit Program? You can contact us.

Community Development
Economic Development

Downtown Littleton Reconnect Project
Hannah Grimes Center Renovation
NHMA Art Lab School
Park Theatre Completion
RDC Capacity Fund - WEDCO

Downtown Littleton Reconnect Project

Littleton

Sponsor: Littleton Industrial Development Corporation
Address: 93 Main Street
Littleton, NH 03561
Website: www.golittleton.com

Description:
A North Country community that continues to invest in itself, Littleton has big plans for its future. It is undertaking a $7.4 million dollar initiative to improve environmental quality, pedestrian and bicycle safety, and economic viability for the region. The revitalizing connection project will remove dated utility infrastructure, improve the existing roadway, develop outdoor community space, and create safe pedestrian and bicycle friendly paths that connect housing to landowners of opportunity.

A tax credit purchase in this project will help complete a downtown riverwalk and other measures to promote community and economic growth, making one of New Hampshire’s great Main Streets even better.

$150,000 in CDFA Tax Credits is currently available for State Fiscal Year 2016 (your business may claim this credit anytime between July 1, 2015 to June 30, 2016).

Contact:
Gregory Eastman
President
greg@funiro-eastn.com
802-444-3979

Pledge Now
Current Projects

Boys & Girls Club of Souhegan Valley Gym and Teen Center
Boys & Girls Club of the Lakes Region Clubhouse Upgrade
Bridge House & WVFRC Upgrades
Business Center for Innovation, Technology and Advanced Manufacturing in Keene
Castle in the Clouds Fund to Finish Campaign
CATCH 105 Loudon Rd Project
Centers for Youth and Teen Leadership
Cheshire County Historical Society Expansion
Colonial Theatre Next Century Project
Community MakerSpace Facilities Improvement
Downtown Littleton Reconnect Project
Dr. Harry Rowe Health Center
Fuel Her Fire - Nashua
Goodwin Community Health ITS
Grafton County Senior Centers
Greeley House Renovation
Individual Development Account Program
Keene East Side Senior Housing Preservation
LACLT Portfolio Strengthening Initiative
Nashua B&G Club Transportation Project
Nashua YMCA Expansion and Improvements
NHIA Art Lab School
Park Theatre Completion
Salem Bicycle-Pedestrian Corridor
Serenity Place Expansion
Suncook Community Center
Hannah Grimes Center Renovation
Westmill Senior Housing
Pledge to a Project

Pledge online

Before

CDFA Awards $266k for Buy-Out of Irene-Ravaged Neighborhood
2012-10-22
Money will fund Conways plan to acquire homes in Transvale Acres damaged by Tropical Storm

Read Full Story

CDFA Events
CDBG Planning Grant Application Submission Deadline
2012-10-31
The deadline for the second round of CDBG Planning Grants
Pledge Agreement

PLEDGE AGREEMENT, made this ______ day of August, 2014, by and among the undersigned contributor (the “Contributor”), the undersigned recipient of the funds to be donated (the “Recipient”), and New Hampshire Community Development Finance Authority, a body corporate and politic created and existing pursuant to New Hampshire RSA 162-L, having an address of 14 Drex Avenue, Suite 102, Concord, New Hampshire 03301 (“CDFA”).

WITNESSETH

WHEREAS, Contributor pledges to donate the amounts set forth on Schedule A at the times set forth therein (individually, the “Annual Donations” and collectively, the “Cash”) to CDFA for further disbursement of a portion of the Cash to Recipient in an effort to assist CDFA in providing affordable housing, job creation and retention, and economic development pursuant to New Hampshire RSA 162-L;

WHEREAS, in so doing to the Cash the Contributor wishes to gain an investment tax credit against taxes imposed by New Hampshire RSA 77-A, RSA 77-E, and/or RSA 400-A, or other similar taxes as authorized to be levied in the future by New Hampshire RSA 162-L 10;

WHEREAS, CDFA wishes to accept these contributions in order to fulfill its statutory duty to provide assistance to qualified recipients on a timely basis to convey a portion of the accepted Cash to Recipient to pay a portion of the Recipient’s project, as further set forth on Schedule A;

WHEREAS, in reliance upon Contributor’s pledge to donate the Cash, CDFA and Recipient will be incurring certain expenses, doing certain work and seeking additional donations from other Contributors; and

WHEREAS, Contributor will benefit from the goodwill, publicity and community development occasioned by such pledge, as well as the tax credit to be received.

NOW THEREFORE, in consideration of the mutual covenants and benefits set forth herein, the parties hereto, intending to be legally bound, and recognizing the mutual interdependency of the covenants and obligations of the parties, agree as follows:

1. Subject to Section 2 below, Contributor’s pledge to donate the Cash is a legally enforceable, valid and binding commitment to contribute the Cash as and when set forth on Schedule A. Either CDFA or Recipient, or both, shall have the right to enforce this Pledge Agreement and their rights at law or in equity, by bringing a legal action in court, including without limited to actions for specific performance or money damages.

2. Contributor pledges to donate and CDFA accepts the Contributor’s pledge to donate in cash the aggregate amount set forth on Schedule A in accordance with the
Social Media at CDFA
Final Thoughts

CDFA provides businesses a 75% tax credit against its donation (plus more!)

Making pledges, taking credits are very easy

Businesses can leverage their legacy, providing more to their favorite nonprofits