



**WEST VIRGINIA
NEIGHBORHOOD INVESTMENT PROGRAM
CREDIT SCHEDULE
GENERAL INFORMATION**

The West Virginia Neighborhood Investment Program Act (W. Va. 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).

Contributions 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 \$2,500,000. This credit is available for taxable years ending after June 30, 1996.

ELIGIBLE TAXPAYERS

Eligible taxpayers may claim the credit as provided in W. Va. Code § 11-13J-5. An eligible taxpayer is any person or entity subject to the West Virginia Business Franchise Tax, 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 (\$2,500,000) in the aggregate.

If the eligible taxpayer is a partnership or corporation, credit is applied first against Business Franchise Tax to reduce the taxpayer's annual Business Franchise Tax liability by up to 50 percent (determined after application of the credits allowed under W. Va. Code § 11-23-17, but before application of any other credits). Any remaining credit amount is applied as follows:

1. If the eligible taxpayer is a C corporation, the remaining credit may be applied to reduce its Corporation Net Income Tax liability by up to 50 percent (determined before application of other allowable tax credits).
2. If the eligible taxpayer is an electing small business corporation (S corporation) or a partnership for federal income tax purposes, any unused credit after application to the Business Franchise Tax, may be applied by the shareholder of the S corporation, the partners in the partnership, or members of the limited liability company treated as a partnership, to reduce their liability for West Virginia Personal

Income Tax . S corporations, partnerships and other unincorporated organizations allocate the remaining credit to their shareholders, partners or members in the same manner as profits and losses are allocated for the tax year.

If the eligible taxpayer is an individual or a sole proprietorship, the credit is applied to reduce the individual's or sole proprietor's Personal Income Tax liability by up to 50 percent for the tax year.

Termination of Credit. The Neighborhood Investment Program Act is scheduled to terminate on July 1, 2011, 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, 2011, 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**. If the taxpayer is a corporation, this form must be attached to the taxpayer's annual Corporation Net Income Tax return. If the taxpayer is a partnership, this form must be attached to the taxpayer's annual Business Franchise Tax return. If the taxpayer is subject to Personal Income Tax, this form must be attached to the taxpayer's annual Personal Income Tax return.

A copy of the properly executed **Neighborhood Investment Program Tax Credit Voucher** (WV/NIPA-1) issued by the organization sponsoring the neighborhood investment project must be attached to the tax credit schedule.

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)

TDD Service for the hearing impaired: 1-800-2TAXTDD (1-800-282-9833)

To order forms or publications please call the automated information system at:

(304) 344-2068 or toll free within West Virginia: 1-800-422-2075.

To order by mail please use the above address.

Internet Address: <http://www.state.wv.us/taxdiv>

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

The West Virginia Development Office

Community Development

1900 Kanawha Blvd. East

Building 6 Room 553

Charleston, WV 25305-0311

Telephone: 304-558-2001

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 voucher (Form WV/NIPA-1). 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 Business Franchise Tax liability determined before deducting the Business and Occupation Tax Credit, the Subsidiary Credit, the Financial Organization Property Tax Credit, or any other credits.
- Line 5g.** This is the amount of credit which may be applied against Business Franchise Tax for the current tax year. This amount must be shown on the "**Summary Schedule TC - Tax Credits**" to claim the credit on WV/BFT-120, "**West Virginia Business Franchise Tax Return.**" If this amount is smaller than the amount on Line 3, the difference is entered on Line 6c or Line 8h and applied to Corporation Net Income Tax or Personal Income Tax liability.
- Line 6a.** This is the current tax year Corporation Net Income Tax liability determined before applying any credits.
- Line 6d.** 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 "**Summary Schedule TC - Tax Credits**" to claim the credit on WV/CNT-112, "**Corporate 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.
- Line 7a.** This is the amount of West Virginia Income Tax liability of an estate or trust determined before applying any credits.
- Line 7d.** Carry to four decimal places.
- Line 7f.** 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.**"

INDIVIDUALS AND SOLE PROPRIETORS SHOULD ONLY COMPLETE LINES 9a THROUGH 9d.

NOTE: ALTERNATIVE MINIMUM TAX TAXPAYERS-COMplete SCHEDULE NIPA-AMT BEFORE COMPLETING

LINE 8a OR 9a.

- Line 8a.** This is the income tax due before applying any credits.
- Line 8c.** Personal Income Tax taxpayers who receive income from pass-through entities which are liable for the Business Franchise Tax must subtract from total available credit the NIPA credit already taken against Business Franchise Tax by the pass-through entity.
- Line 8f.** This is the amount of credit which may be applied against Personal Income Tax for the current tax year on IT-140 or IT-140NR/PY.
- Line 9a.** This is the income tax due before applying any credits.
- Line 9d.** This is the amount of credit that may be applied against Personal Income Tax for the current tax year on IT-140 or IT-140NR/PY.

West Virginia Neighborhood Investment Program Credit Schedule

Name _____ Tax Identification or Social Security Number _____

Tax Period _____ To _____

COMPUTATION OF ELIGIBLE CREDIT

1. a) Project Number WV-NIPA- _____ \$ _____
- b) Project Number WV-NIPA- _____ \$ _____
- c) Project Number WV-NIPA- _____ \$ _____
2. Amount Carried Forward From Schedule A, Column 3 _____
3. Total Neighborhood Investment Program Credit (Add Lines 1 and 2) _____ \$ _____
4. Total Allowable Credit (Lesser of Line 3 or \$100,000) _____ \$ _____

BUSINESS(ES)	Business Franchise Tax	5. a) Total Business Franchise Tax _____ \$ _____
		b) Amount of Subsidiary Credit Claimed on Form WV/BFT-120 _____ \$ _____
		c) Amount of Business and Occupation Tax Credit Claimed on Form WV/BFT-120 _____ \$ _____
		d) Amount of Financial Organization Property Tax Credit Claimed on Form WV/BFT-120 _____ \$ _____
		e) Total of Lines 5b Through 5d _____ \$ _____
		f) Net Business Franchise Tax (Line 5a Minus Line 5e) _____ \$ _____
	Corporate Net Income Tax	6. a) Total Corporate Net Income Tax _____ \$ _____
		b) Credit Limit (50% of Line 6a) _____ \$ _____
		c) Remaining NIPA Credit (Line 4 Minus Line 5g) _____ \$ _____
	Fiduciary Income Tax	7. a) Total Fiduciary Income Tax _____ \$ _____
		b) Credit Limit (50% of Line 7a) _____ \$ _____
		c) Remaining NIPA Credit (Line 4 Minus Lines 5g and 6d) _____ \$ _____
		d) Trust's or Estate's Share of Profit or Loss (State as a Decimal) _____ \$ _____
	Personal Income Tax	8. a) Total West Virginia Personal Income Tax (From Form IT-140) _____ \$ _____
		b) Credit Limit (50% of Line 8a) _____ \$ _____
c) Remaining NIPA Credit: (If Partner,S Corporation Shareholder, or Beneficiary, Enter Line 4 Minus Line 5g) _____ \$ _____		
d) Enter Share of Profit or Loss (State as a Decimal; If Partner, S Corporation Shareholder, or Beneficiary, Enter Share of Profit or Loss) _____ \$ _____		
e) Multiply Line 8c Times Line 8d _____ \$ _____		
f) Neighborhood Investment Program Credit (Smaller of Line 8b or Line 8e) _____ \$ _____		
INDIVIDUALS	Personal Income Tax	9. a) Total West Virginia Personal Income Tax (From Form IT-140) _____ \$ _____
		b) Credit limit (50% of Line 9a) _____ \$ _____
		c) Enter the amount from Line 4 _____ \$ _____
		d) Enter the smaller of Line 9b or Line 9c _____ \$ _____

Schedule A West Virginia Neighborhood Investment Credit Carryover Spreadsheet

Column 1 Project Number	Column 2 Beginning Year For Project Number	Column 3 Amount of Investment Credit Carryover	Column 4 Amount Carried Forward And Used Prior To This Year	Column 5 Amount Being Used This Year	Column 6 Remaining Unused Credit
WV-NIPA- -					
WV-NIPA- -					
WV-NIPA- -					
WV-NIPA- -					
WV-NIPA- -					
Total					

Schedule NIPA-AMT Neighborhood Investment Program Calculations for Personal Income Tax Taxpayers Subject to Alternative Minimum Tax (AMT)

Name _____ Tax Identification or Social Security Number _____

Tax Period _____ To _____

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1. Alternative Minimum Taxable Income (From Federal Form 6251) \$ _____
 2. Regular Federal Taxable Income Charitable Contribution Deduction From
Neighborhood Investment Program Contribution (Federal Form 1040, Schedule A) \$ _____
 3. Alternative Minimum Tax Charitable Contribution Adjustment From
Neighborhood Investment Program Contribution (Federal Form 6251) \$ _____
 4. Total Charitable Contribution Adjustment for Neighborhood Investment Program Contributions
(Line 2 Minus Line 3) \$ _____
 5. AMT Income Eligible for NIPA Credit Offset (Line 1 Minus Line 4) \$ _____
 6. Eligible AMT NIPA Income Ratio (State as a Decimal; Line 5 Divided by Line 1)
 7. West Virginia Minimum Tax (From Schedule T) \$ _____
 8. West Virginia Minimum Tax Eligible for NIPA Offset (Line 6 Times Line 7) \$ _____
 9. West Virginia Tentative Total Tax (From Schedule T) \$ _____
 10. West Virginia Total Tax Eligible for NIPA Offset (Line 8 Plus Line 9)
(Insert This Total on Form NIPA-2, Line 8a or 9a) \$ _____

INSTRUCTIONS FOR SCHEDULE NIPA - AMT

Complete Schedule T, and Form IT-140 down to Line 7, before completing this form. Enter the result from Line 10 of this form on Line 8a or 9a of Form WV/NIPA-2.

- Line 1 - Enter the Federal Alternative Minimum Taxable Income from Federal Form 6251.
- Line 2 - Enter the amount of any charitable contribution deduction from Federal Form 1040 that is attributable to a qualifying Neighborhood Investment Program contribution(s).
- Line 3 - If you made an adjustment on Alternative Minimum Tax - Federal Form 6251 for charitable contributions (i.e., an adjustment generally included with Other Adjustments on the federal form), enter the amount here.
- Line 4 - **TOTAL ALTERNATIVE MINIMUM TAX CHARITABLE CONTRIBUTION ADJUSTMENT FROM NEIGHBORHOOD INVESTMENT PROGRAM CONTRIBUTIONS** - Subtract Line 3 from Line 2.
- Line 5 - **ALTERNATIVE MINIMUM TAXABLE INCOME ELIGIBLE FOR NEIGHBORHOOD INVESTMENT PROGRAM CREDIT OFFSET** - Subtract Line 4 from Line 1.
- Line 6 - **ELIGIBLE ALTERNATIVE MINIMUM TAX NEIGHBORHOOD INVESTMENT PROGRAM INCOME RATIO** - Divide Line 5 by Line 1 and enter the result as a decimal carried to four places.
- Line 7 - **WEST VIRGINIA MINIMUM TAX** - Enter the amount from Form IT - 140, Schedule T.
- Line 8 - **WEST VIRGINIA MINIMUM TAX ELIGIBLE FOR NEIGHBORHOOD INVESTMENT PROGRAM OFFSET** - Multiply the amount on Line 7 by the fraction on Line 6.
- Line 9 - **WEST VIRGINIA TENTATIVE TOTAL TAX** - Enter the amount from Form IT-140, Schedule T.
- Line 10 - **WEST VIRGINIA TOTAL TAX ELIGIBLE FOR NEIGHBORHOOD INVESTMENT PROGRAM OFFSET** - Add Line 8 to Line 9 and enter the result here and on Form NIPA-2, Line 8a or 9a.