



DOING THE MOST GOOD®

The Salvation Army
Jefferson City, MO
927 Jefferson St.
Jefferson City, MO 65101

ACT NOW to receive AHAP Tax Credits for your donation to The Salvation Army

To qualify, your donation must be received no later than 4/30/2025.

The Salvation Army in Jefferson City, has been awarded Missouri Housing Development Commission (MHDC) Affordable Housing Assistance Program (AHAP) tax credits for operating assistance funds. This highly competitive grant honors Salvation Army services that increase economic benefits to our community. **Your individual or business charitable gift or in-kind donation may cost you only 23 cents on the dollar!** You may take off the top of your Missouri state tax liability 55% of the amount of your Salvation Army gift. Then you may take a charitable deduction off your federal taxes without regard for your 55% credit from the state of Missouri!

The Affordable Housing Assistance Program (AHAP) tax credit is used as an incentive for Missouri businesses and/or individuals to participate in affordable housing. This state tax credit is earned by an eligible donor for the donation of cash, equity, services, or real or personal property to a non-profit community-based organization for the purpose of providing affordable housing assistance activities or market rate housing in distressed communities.

Missouri is one of only three states that recognizes many of the needs of its citizens can be met more cost-effectively with less red tape if performed by well-run charities.

Your gift may cost you only 23 cents on the dollar! *

AFTER-TAX COSTS OF STATE TAX CREDITS – EXAMPLES					
Your gift of:	\$1,000	\$2,500	\$5,000	\$10,000	\$20,000
Federal tax deduction assuming 35%:	(350)	(875)	(1,750)	(3,500)	(7,000)
State tax deduction assuming 6%:	(60)	(150)	(300)	(600)	(1,200)
State tax credit (55% of gift):	(550)	(1,375)	(2,750)	(5,500)	(11,000)
Additional Federal tax due to state tax credit assuming 35%:	193	481	963	1,925	3,850
Your total out-of-pocket cost:	\$233	\$581	\$1,163	\$2,325	\$4,650

How does it work?

- As outlined in the application, you must have a Missouri state tax liability through a business or eligible entity.
- Donations may be in the form of cash, stock, real estate, professional services, or materials/products and must be eligible for the federal income tax charitable deduction.
- Once the donation is received, the Agency shall have the Donor complete the Tax Credit Certification form (AHAP-125) which shall be executed by both the Donor and the Agency and submitted to MHDC accompanied by proof of the type.
- The form is sent to our headquarters and then forwarded to the state for approval stating The Salvation Army received your gift as described. You then receive an approval letter directly from the state.

- On your state tax form, there will be a line for you to subtract 55% of your gift from the top of your tax liability. AHAP tax credits carry forward for up to 10 years, starting from the calendar year the donation was made in.
- You claim the entire gift as a charitable deduction from your federal taxes.

Eligibility:

To be eligible, a donor must be subject to Missouri tax from business activities performed in the state of Missouri. Employees of the non-profit who have been allocated AHAP tax credits are not eligible to make donations for AHAP credits. However, they are eligible to receive AHAP tax credits through the transfer process. More specifically, a donor must be classified as one of the following:

- A corporation filing Missouri Form 1120.
- A sole proprietorship filing Federal Form 1040 Schedule C and Missouri Form 1040.
- A farm operation filing Federal Form 1040 Schedule F and Missouri Form 1040.
- An individual reporting income from rental property or royalties on Federal Form 1040 Schedule E and filing Missouri Form 1040.
- A small business corporation (S-Corporation) filing Missouri Form 1120S.
- A partnership filing Missouri Form 1065.
- A bank, credit institution, savings and loan association, credit union, farmer's cooperative credit association, or building and loan association filing a Missouri financial institution tax return.
- An insurance company filing a Missouri Insurance Tax Return with the Division of Insurance.
- An individual partner in a partnership or shareholder in an S-Corporation. or
- A public or private foundation subject to Missouri tax. The foundation must certify that it is subject to the state income tax imposed by the provisions of chapter 143 RSMo because the unrelated business income of the foundation is subject to Missouri income tax.

Why is it a good deal for me or my business?

- Your state tax dollars remain in your community.
- You determine how your state tax dollars are used.
- Your donation leverages more charitable dollars for your cause.
- There is no red tape. You fill out a one-page application that is returned to The Salvation Army, which administers the process with the state.
- When taken along with the federal deduction, the average gift costs about 23 cents on the dollar.

Fine points:

- Your accountant or tax attorney can determine the most beneficial donation amount for you, mainly if you are timing a gift of stock.
- Tax credits may be carried over to the next ten succeeding tax periods.
- Frequently asked questions and a complete listing of eligible business entities and taxes can be found on the Department of Economic Development website: <https://mhdc.com/programs/community-programs/missouri-affordable-housing-assistance-program-ahap/>
- The donation may not be used to offset specific unallowed expenses.
- Tax credits are issued on a first-come, first-served basis.
- Donors may transfer the allocated credits to any individual or entity upon MHDC's review and approval. There are no limits on the transfer of credits.
- Checks should be made payable to **The Salvation Army AHAP**. Include on the memo line AHAP Tax Credits. All donations must be received no later than 4/30/2025 in order to qualify.
- Your generosity ensures that families continue to receive services from the highest quality programs.

***Your financial professional will be able to assist you in determining the exact amount most beneficial for your tax liability. Please call Nina Theroff at (573) 635-1975 ext. #100 to confirm the availability of credits.**