

Q&A:

How will the campaign benefit the community? “The foundation of the *Building for Our Future* Campaign was the purchase and renovation of 105 South Main Street and the relocation of the Hannibal Arts Council to the new facility,” said Michael Gaines, HAC Executive Director. “However, the results of the project have grown beyond the physical element and has allowed the Hannibal Arts Council to create a home for the arts for the community to enjoy and be proud of; expand our current programs and services; encourage new and innovative programs; reach new audiences; create new partnerships; allow the Hannibal Arts Council to offer programs in a fully-accessible facility; and contribute to downtown revitalization and beautification.”

Why give? The Hannibal Arts Council has provided quality community arts programs since 1975 and we want to continue to be a creative force within the community. We have a strong foundation, rich history, steadfast leadership and we make a difference in the community.

How much is left to raise?

Goal: \$250,000

Raised To Date: \$120,060

Total Left To Raise: \$129,940

NAP Donations: Goal of \$175,000

- HAC was awarded \$87,500 in 50% tax credits to leverage \$175,000
- \$86,500 donated so far through tax credits (\$43,250 in tax credits utilized)
- **\$88,500** left to raise through tax credits (\$44,250 left in tax credits)

General Donations: Goal of \$75,000

- \$33,560 donated so far
- **\$41,440** left to raise through general donations

What is the timeline? The sooner we complete the campaign, the sooner we can move on to other goals in our vision for the future. The deadline for NAP tax credit donations is September 30, 2010 – when our tax credits expire. General donations are on-going.

At what levels of giving can I participate? All levels. whether it be \$25, \$100, \$1000, or \$10,000 and everything in between (or above). Give at a level at which you feel most comfortable. A combination of all donation types and all amounts are needed for us to successfully complete the Hannibal Arts Council *Building for Our Future* Campaign.

How are donors being recognized? All donations to the *Building for Our Future* Campaign are appreciated and immediately acknowledged in writing for your records. All donors will be invited to a special event at the completion of the campaign. Donors at the \$100 and above level are being incorporated into a unique sculpture that will illustrate the completion of the project campaign. Should someone be interested, we have three gallery naming opportunities available for major donations. For those who wish to donate quietly, we respect all donor wishes.

Can I still give if I am not eligible to utilize NAP Tax Credits? Of course! Fundraising through offering tax credits is just one part of the campaign. General donations are the backbone of everything we do!

What if I have questions? If you would like more specific details on the campaign thus far, the amount of remaining tax credits to take advantage of, or other information on the *Building for Our Future* Campaign, contact Michael Gaines at (573) 221-6545 or michaelg@hannibalarts.com.

Tax Credit Q&A:

What are NAP Tax Credits and how do they work?

Here's the simple explanation regarding tax credits. NAP tax credits for the Hannibal Arts Council are 50% state tax credits. They apply to the donor's state tax liability. The NAP credits allow a qualified donor to subtract 50% of their total contribution to the Hannibal Arts Council's campaign directly from state taxes owed. The donor may still deduct the full amount of their gift as a charitable contribution for both state and federal taxes. This combination of tax credit and charitable deduction creates significant tax savings for qualified donors. **The Hannibal Arts Council receives benefit of 100% of your donation and you receive tax benefits while doing something you would naturally do...support community projects that make a difference.** Credits may be used during the calendar year in which the contribution was made, or may roll over for up to five additional tax years. The credits are good for almost any business or any individual with business income.

Who is eligible for NAP Tax Credits

To be an eligible NAP donor you must have a business tax liability in Missouri and be one of the following:

<u>Qualifying Entities</u>	<u>Tax Liability</u>	<u>Tax-Filing Form</u>
Corporation	Corporate, Franchise Tax	MO Form 1120
Sole Proprietorship	Individual Income Tax	Fed Form 1040, Schedule-C & MO Form 1040
Farm Operation	Individual Income Tax	Fed Form 1040, Schedule-C & MO Form 1040
Rental Property Income	Individual Income Tax	Fed Form 1040, Schedule-C & MO Form 1040
Royalties Income Indiv/Reported	Individual Income Tax	Fed Form 1040, Schedule-C & MO Form 1040
Financial Institution	Financial Institution Tax	MO Financial Tax Return
Insurance Company	Gross Premium Receipts Tax	MO Insurance Tax Return with MO Dept/Insurance
Partnership	Individual Partners' Income Tax	MO Form 1065 (Partnership Gift-Check)
Individual Partner in Partnership	Individual Income Tax	(Personal Gift-Check, not Partnership Gift-Check)
Small Business Corp S-Corp	Individual Shareholders' Income Tax, Franchise Tax	MO Form 1120-S
Individual Shareholder in S-Corp	Individual Income Tax	(Personal Gift-Check, not S-Corp Gift-Check)
Limited Liability Corp/Partnership	Individual Members Income Tax, Franchise Tax, Fiduciary Tax	MO Form 1120, 1120-S, or 1065

How does the NAP Tax Credit program work?

Should you have specific tax questions and to determine how the NAP tax credits specifically apply to you, please consult your accountant or tax advisor.

This example is calculated based on a donor in the 28% tax bracket.

Donation Amount to HAC	\$500	\$1,000	\$5,000	\$10,000	\$20,000
Missouri Tax Credit (50% of gift)	250	500	2500	5000	10000
Federal Income Tax Deduction (28%)	140	280	1400	2800	5600
State Income Tax Deduction (6%)	30	60	300	600	1200
Your Total Tax Savings	420	840	4200	8400	16800
Your out-of-pocket cost (estimated)	\$80	\$160	\$800	\$1600	\$3200
Total Benefit to HAC	\$500	\$1,000	\$5,000	\$10,000	\$20,000

Out-of-pocket cost varies with tax bracket.

If you are not eligible for tax credits, you are still eligible to take advantage of Federal and State Income Tax Deductions.

Do you have specific tax benefit questions? The example above is provided for illustrative purposes only and does not constitute tax advice. Should you have specific donation questions and to see how the NAP tax credits will specifically apply to you and your tax bracket, please consult your accountant or tax advisor. If you had business tax liability last year, the NAP tax credit opportunity can benefit you and the Hannibal Arts Council!