

Virginia Department of Social Services  
Neighborhood Assistance Program (NAP)



***What is the Neighborhood Assistance Program (NAP)?***

NAP was created by the Virginia General Assembly to encourage businesses and individuals to make donations to approved 501(c)(3) organizations for the benefit of low-income persons.

Credits are available to **individuals** donating *cash or securities* of at least **\$500**. Tax credits may be offered up to 65% of the value of the donation and are limited to a maximum donation value of \$125,000 per year, or \$81,250 in tax credits.

*Example: \$500 cash donation X 65% = \$325 tax credit to be used on the Virginia State Income Tax Return*

Credits are available to a **business/trust** donating at least **\$616**. Tax credits may be offered up to 65% of the value of the donation, and there is no maximum donation limit for a business or trust.

*Example: \$616 donation X 65% = \$400.40 tax credit to be used on the Virginia State Income Tax Return*

Business/Trust donation types can include:

- Cash
- Merchandise
- Rent/Lease Facility
- Professional Services
- Pharmaceutical Services
- Physician Specialist Services
- Stock
- Real Estate
- Contracting Services
- Health Care Services
- Mediation Services

***How do I apply for a tax credit?***

Contact Piedmont Housing Alliance to determine your eligibility and fill out the appropriate Contribution Notification Form (CNF). Return the completed form to Piedmont Housing, and we will submit the CNF to VDSS to have your tax certificate issued and mailed to you.

***How do I report my NAP credits on my Virginia Income Tax Return?***

Tax Credits are reported on Schedule CR filed with the Virginia Department of Taxation. Please refer all tax related questions to TAX at (804) 786-2992.

***What happens if my tax credits are more than my tax liability?***

Tax credits are non-refundable; however, NAP tax credits that exceed the your total Virginia State tax liability may be carried forward for up to five (5) years.