

TAX CREDIT ANALYSIS

Program Name: Neighborhood Assistance Program (NAP)		
Department: Economic Development	Contact Name & No.: Brenda Horstman 751-3713	Date: October, 2012
Program Category: Community Development	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
Statutory Authority: 32.100 - 32.125, RSMo	Applicable Taxes: Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax, Express company tax	

Program Description and Eligibility Requirements:
 Provides assistance to community-based organizations that enable them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training and physical revitalization.

Explanation of How Award is Computed: Entitlement _____ Discretionary
 Applications are reviewed on a competitive basis and awards made to nonprofits or Missouri businesses for 50% or 70% of the approved budget.

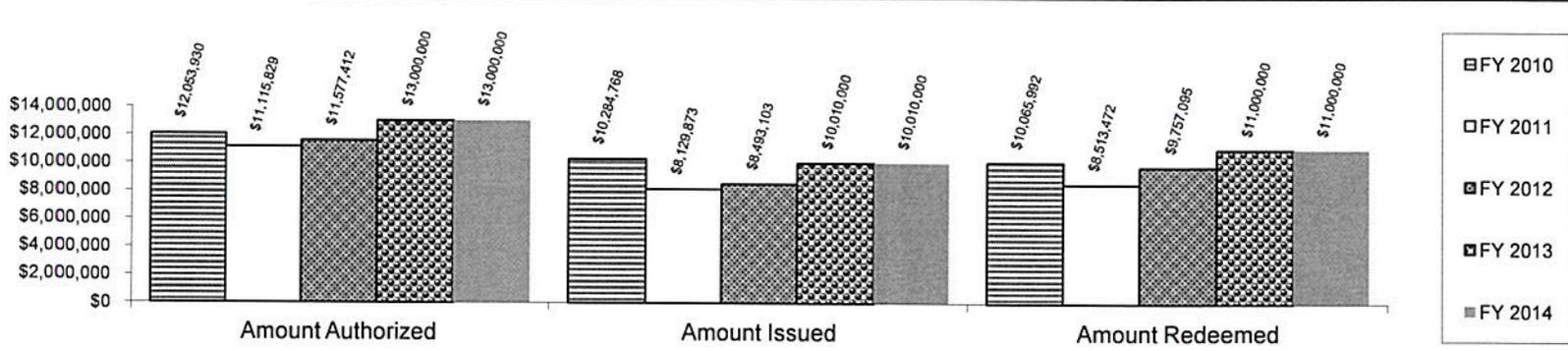
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 16 million _____ None _____
Explanation of cap: Effective August 28, 2008, fiscal year cap was reduced from \$18 million to \$16 million.

Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
 Carry forward 5 years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	2,267	1,542	1,511	1,600	1,600
Projects (#)	65	34	57	60	60
Amount Authorized	\$12,053,930	\$11,115,829	\$11,577,412	\$13,000,000	\$13,000,000
Amount Issued	\$10,284,768	\$8,129,873	\$8,493,103	\$10,010,000	\$10,010,000
Amount Redeemed	\$10,065,992	\$8,513,472	\$9,757,095	\$11,000,000	\$11,000,000
EST. Amount Outstanding	N/A	N/A	\$11,772,803	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$17,752,200	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

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Program Name: Neighborhood Assistance Program (NAP)

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	\$218,385	\$756,061
Indirect Fiscal Benefits	\$349,365	\$1,209,518
Total	\$567,750	\$1,965,579
COSTS		
Direct Fiscal Costs	\$1,929,569	\$11,052,960
Indirect Fiscal Costs	\$0	\$0
Total	\$1,929,569	\$11,052,960
BENEFIT: COST	0.29	0.18

Derivation of Benefits:

Investment: (a) \$9,145,745.14 in Construction Demand in 2012-2014.

Employment: (a) 235 jobs in Social Assistance at average wage rates in 2012-2021.

Other Assumptions: (a) real wage growth starting in 2013; (b) 107 new HS/GED/Assoc. degree graduates earning an additional \$642,000/yr in disposable personal income between 2012-2021; (c) 1,303 jobless participants obtained assistance and found jobs earning an additional \$7.818 million/yr in disposable personal income between 2012-2021.

Incentives/Credits: (a) \$11,577,412 in authorized NAP credits, redeemed between 2012-2017.

Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.

The multi-year fiscal Benefit-Cost Ratio is 0.13 when other program incentives are included.

Other Benefits:

In FY-2012, every dollar of authorized program tax credits returns

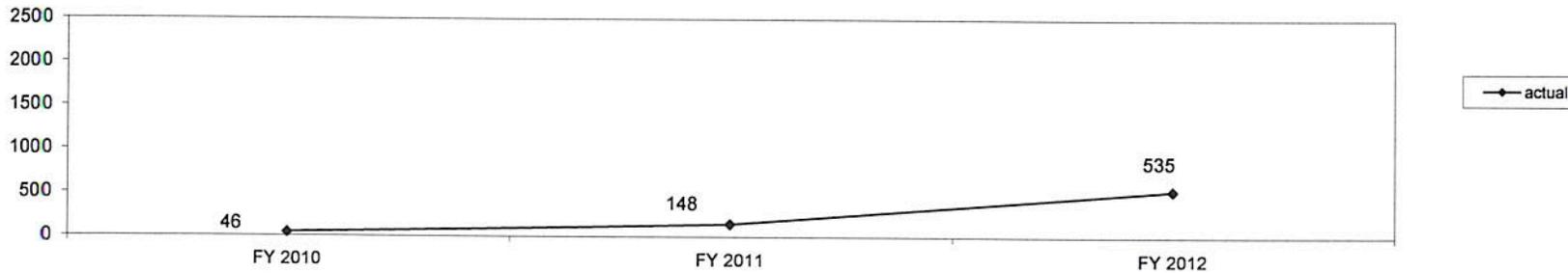
\$8.67 in new personal income totaling	\$16.74 million
\$6.56 in new value-added/GSP totaling	\$12.66 million
\$10.04 in new economic output totaling	\$19.38 million

Over 10 Years, every dollar of authorized program tax credits returns

\$18.03 in new personal income totaling	\$199.33 million
\$10.29 in new value-added/GSP totaling	\$113.71 million
\$14.51 in new economic output totaling	\$160.34 million

PERFORMANCE MEASURE(S)

Permanent New/Retained Jobs



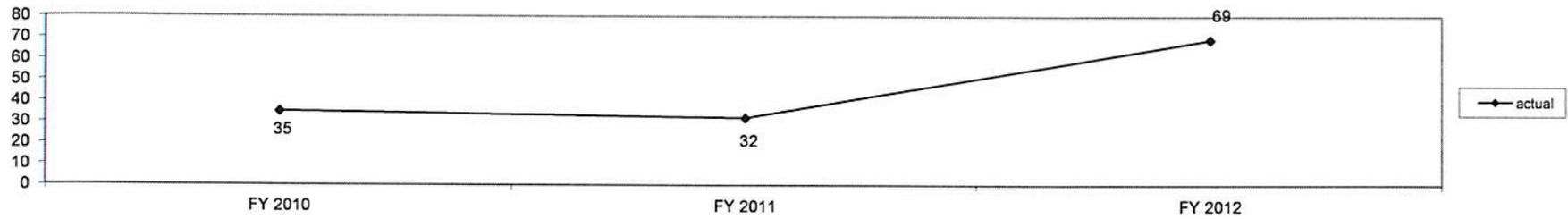
Comments on Performance Measure:

Numbers are dependent on the type of projects that are funded each year.

TAX CREDIT ANALYSIS

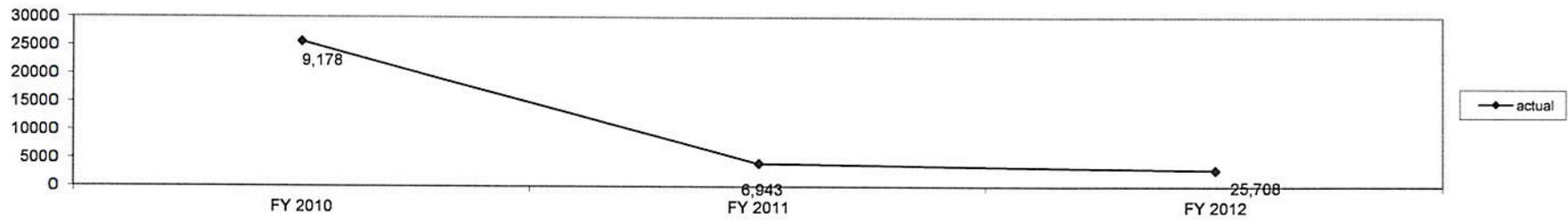
Program Name: Neighborhood Assistance Program (NAP)

New/Renovated Facilities



Comments on Performance Measure:

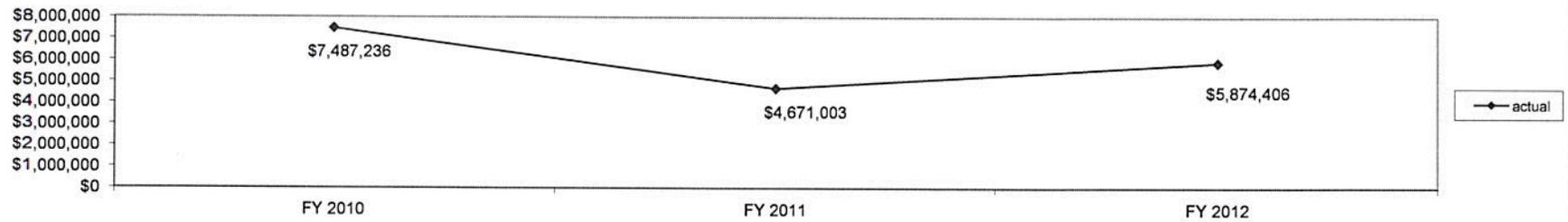
Individuals Learning Life Skills



Comments on Performance Measure:

Includes individuals earning GEDs, job training and other skills necessary to become productive citizens.

Amount Leveraged



Comments on Performance Measure: