



I am pleased to announce that we have received a major donation with our Neighborhood Assistance Program (NAP) Tax Credit program, placing us at *half* of our goal of \$107,900. Our donor, who wishes to remain anonymous, has supported our ministry with his time and talent for many years. And, although he does not live in our South City community, he is now supporting us with his treasure. I am writing to you today to remind you of our NAP program and ask for your **local** support in the community.

The NAP program allows you to directly control where your Missouri tax dollars go and the programs *you* want to support. That means that your donation goes directly to providing transportation to medical appointments for older adults who no longer drive, home repair services to help prevent falls and keep seniors safely in their homes, health promotion activities that keep seniors active and healthy, and social opportunities to reduce depression. More importantly, as an employer, you can directly benefit from these services.

You may have experienced, or had a staff person, directly caring for an elderly loved one. Workplace absenteeism increases significantly when one becomes a primary caregiver for an elderly relative. Research has shown that 35% of all employees are likely to quit their jobs for up to four years to become full time care givers. This results not only in lost wages and talent, but also time to train new employees. SGSM can help reduce workplace absenteeism by providing practical, supportive care to older adults while their caregivers remain in the work force.

Your donation also has financial benefits; the actual expense for a NAP program donation is only 29% of your total donation. For example, depending on your tax bracket, a \$1,000 donation through the NAP program can cost only \$286 (please see our chart on the back of this letter). So, if you are interested in helping older adults in your neighborhood, keeping your valued employees on the job, and taking advantage of these special tax benefits, please call me at your convenience at 314.664.9700, or via e-mail at holly.staley@sgsmnetwork.org .

Thanks in advance for considering this invitation. May you be blessed during this season with an abundance of faith, hope, and love.

Sincerely,

Holly Staley, MSW
Executive Director

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After Tax Benefits of NAP Credits

Through the Neighborhood Assistance Program (NAP), eligible Missouri state taxpayers can receive a 50% state tax credit for contributions to South Grand Senior Ministry. The following chart illustrates the potential effective after-tax cost of a \$1,000 contribution¹.

Tax Bracket		35%	33%	28%	25%
Federal					
<i>Tax Savings</i> from deduction for charitable contribution (% of \$1,000)	A	\$350	\$330	\$280	\$250
<i>Tax Cost</i> of lowering the deduction for state taxes paid (% of F below)	B	\$196	\$185	\$157	\$140
Subtotal	C	\$154	\$145	\$123	\$110
Missouri					
<i>Tax Savings</i> from NAP tax credit (50% of \$1,000)	D	\$500	\$500	\$500	\$500
<i>Tax Savings</i> from deduction for charitable contribution (6% of \$1,000)	E	\$60	\$60	\$60	\$60
Subtotal	F	\$560	\$560	\$560	\$560
<i>Total Tax Savings (Federal and State)</i>		\$714	\$705	\$683	\$670
<i>After Tax Cost of \$1,000 Gift</i>		\$286	\$295	\$317	\$330

Eligible donors for NAP Credits include:

- Individuals with income from rental property, royalties or partnerships
- Individuals who own S-Corporations
- Individuals who own sole proprietorships or those in a partnership

Individuals who are subject to the Alternative Minimum Tax (AMT) who make charitable donations can increase their AMT credit (dependant on what 'preferences' the individual has), which may mean lower regular taxes in future years.

¹ This example is an illustration only and does not constitute tax advice. You should not rely on the indicated results and should instead consult your own tax advisor prior to making a contribution.