



COMMUNITY DEVELOPMENT FINANCE AUTHORITY

TAX CREDIT 101

AGENDA

Introduction

How the Tax Credit Works

Marketing and Raising Tax Credits

Tax Credit Pledge Process

Grant Administration

Congratulations!

The image features the word "Congratulations!" in a bold, white, sans-serif font. The text is rendered with a slight 3D effect, casting a soft shadow on the surface below it. It is surrounded by a dense, horizontal burst of small, rectangular confetti pieces in various colors including red, blue, yellow, and pink. The background is plain white, and a solid dark blue horizontal bar runs across the bottom of the image.



ENGAGEMENT

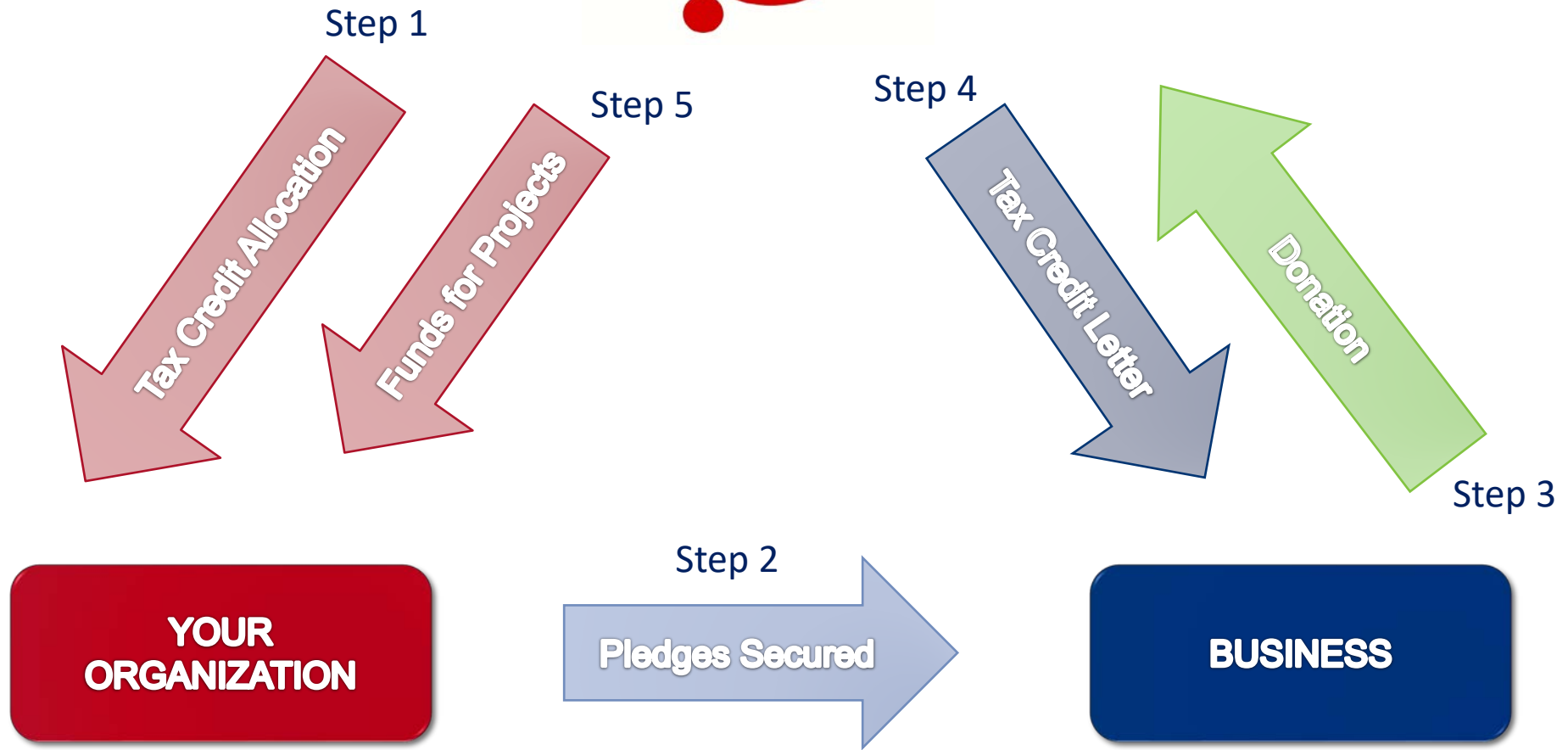
CDFA staff will:

- Guide you through the use of tax credits
- Connect you to training, additional funds at CDFA and other funders
- Introduce you to your peers working with similar opportunities or challenges

Hello!
my name is

Name
Organization

HOW THE TAX CREDIT WORKS



TAX CREDIT BASICS

Businesses receive a tax credit equal to 75% of the donation made to an approved project

Applied against New Hampshire business taxes

- Business profits tax
- Business enterprise tax
- Insurance premium tax

Donation is eligible as state and federal charitable contribution

May carry forward the credit for up to five years



DONOR CONTRIBUTIONS

Banks

Insurance companies

Accounting firms

Manufacturers

Small, local businesses

Automobile dealers



EASY TO CLAIM



New Hampshire
Department of
Revenue Administration

2020
DP-160



SCHEDULE OF CREDITS

DO NOT COMPLETE FORM DP-160 IF THE ONLY CREDIT AVAILABLE IS THE BET CREDIT

Business Organization Name

Taxpayer Identification Number For the CALENDAR year **2020** MMDDYYYY or other taxable period beginning: MMDDYYYY and ending:

APPLICATION OF CREDITS TO BET AND BPT

A. BET Summary of Credits

Round to the nearest whole dollar

E. CDFA - New Investment Tax Credit (ITC)

Round to the nearest whole dollar

1. ITC Credit Available	1	<input type="text"/>
2. Carryover credit from a prior year, use earliest year first	2	<input type="text"/>
3. Amount used for BPT	3	<input type="text"/>
4. Amount used for BET	4	<input type="text"/>
5. Amount used for Insurance Premium Tax	5	<input type="text"/>
6. Total credit used this year (Sum Lines 3, 4 and 5)	6	<input type="text"/>
7. ITC available for carry forward (Sum Lines 1 and 2, less Line 6)	7	<input type="text"/>

Round to the nearest whole dollar

TAX SAVINGS FOR BUSINESSES

Contribution from Donor	\$10,000
NH State Tax Credit Savings	\$7,500
NH BPT Savings	\$770
Total State Tax Savings	\$8,270
Net Percentage Cost to Donor	17.3%

Business may be eligible for Federal tax savings on the net contribution.

A business can make a \$10,000 impact for a net cost of less than \$1,730.

CDFA's Tax Credit Calculator

<https://nhcdfa.org/investing-in-nh-communities/tax-credit-program/tax-credit-calculator/>

KEY TAKEAWAYS FOR DONORS

Tax Credit resources to evaluate donation opportunities on CDFA's website

- Tax credit calculator to estimate donation and ROI
- CDFA handles the paperwork
- Easy to claim on tax forms

MARKETING AND RAISING YOUR TAX CREDITS

DONOR INSIGHT

150 Businesses Made 270 Pledges in SFY 24

Pledge amounts ranged from \$500 to \$155,000

- 62% of pledges received were under \$20,000
- 34% of pledges received were between \$20,000 to \$75,000
- 4% of pledges were over \$75,000

CAMPAIGN ELEMENTS

Make your Case

Campaign Committee

Donor Motivations

Know Your Audience

Planning Resources

MAKE YOUR CASE

WHY SHOULD A BUSINESS SUPPORT YOUR PROJECT?

- Describe organization, who it serves, and how it serves
- Explain your project. What impact will it have on the people your organization serves?
- State your ask, next steps

Equip your staff and Board with the information they need to serve as ambassadors for your project.

CAMPAIGN COMMITTEE

CAMPAIGN COMMITTEE:

Made of staff, board members, and volunteers.

Who does what?

Who do you need on the committee?

How do they work together to sell the tax credits?

WHY DO BUSINESSES PLEDGE?

- What are the various reasons a company might have to donate?
- How do you understand their motivations?
- How do different motivations impact your approach?

KNOW YOUR AUDIENCE

What should you know about a business before calling or meeting with them?

How do you go about better understanding your audience?

What resources do you use to learn about them?

PLANNING RESOURCES



What key resources should projects plan for?



What materials do donors want or need?

MEET THE PANEL

Betsy McNamara - Facilitator

Principal

Full Circle Consulting

Cynthia Hemeon-Plessner

SVP & Chief Marketing Experience Officer

Meredith Village Savings Bank

Erika Canales

Executive Director

Coos Economic Development Corp

Shana Hawrylchak

Executive Director

SEE Science Center

MAKING A PLEDGE (PLEDGE PROCESS)

CURRENT PROJECTS



SCHEDULE A MEETING

APPLY / GRANTS MANAGEMENT

MAKE A PLEDGE

RESOURCE WEB SITE

HOME

WHO WE ARE

HOW WE HELP

INVESTING IN NH COMMUNITIES

COVID-19 RESOURCES

CURRENT TAX CREDIT PROJECTS

CDFA's Tax Credit Program offers New Hampshire businesses the unique opportunity

Projects supported through the Tax Credit Program are leading collaborative, community-based projects to address critical needs in the Granite State that bring together public and private resources to solve local challenges.

Grants made to organizations are in the form of tax equity. New Hampshire businesses support the selected projects by purchasing the tax credits, resulting in the nonprofit receiving a donation and the company receiving a 75 percent New Hampshire state tax credit against that contribution. The credit can be applied against the Business Profits Tax, Business Enterprise Tax or Insurance Premium.

For additional information on how the program works, visit [Tax Credit Program](#). To help evaluate the donation opportunity, businesses can reference CDFA's [Tax Credit Calculator](#).

Below is a list of projects that have CDFA tax credits available.

NH Nonprofit Response Fund

Tax Credit Program

Community Development Fund for New Hampshire

Tax Credit Calculator

Current Projects

Electronic Pledge

MAKING A PLEDGE

1. Click “Make a Pledge” on NHCDFFA.org
2. Select a project
3. Enter donation amount, invoice dates and amounts
4. Input Donor Information
 - Company name
 - Contact information
 - Tax credit letter information
5. Click Submit!

DONOR PLEDGE AGREEMENT

Pledges are binding legal documents

No modifications to the pledge agreement

Donor letters sent once donation complete



New Hampshire Tax Credit Program PLEDGE AGREEMENT

CDFA TAX CREDIT PROGRAM PLEDGE AGREEMENT

WHEREAS, the Contributor pledges to donate (individually, the "Annual Donations" and collectively, the "Cash") to CDFA for further disbursement of a portion of the Cash to Recipient in an effort to assist CDFA in providing for community development such as affordable housing, job creation and retention, and economic development pursuant to New Hampshire RSA 162-L;

AND in so donating the Cash, the Contributor wishes to gain an investment tax credit against taxes imposed by New Hampshire RSA 77-A, RSA 77-E, and/or RSA 400-A, or other similar taxes as authorized or to be authorized in the future by New Hampshire RSA 162-L:10;

NOW, THEREFORE, in consideration of the covenants and benefits set forth herein, and as a condition of making a pledge to donate pursuant to New Hampshire RSA 162-L:10, the Contributor agrees as follows for any such donation:

1. Subject to Section 2 below, Contributor's pledge to donate the Cash is a legally enforceable, valid and binding commitment to contribute the Cash as and when set forth on the CDFA Pledge to Donate. Either CDFA or Recipient, or both, shall have the right to enforce this Agreement and their rights at law or in equity, by bringing a legal action in court, including without implied limitation actions for specific performance or money damages.
2. Contributor pledges to donate and CDFA accepts the Contributor's pledge to donate in cash the aggregate amount set forth on the CDFA Pledge to Donate in accordance with the schedule set forth thereon. Contributor and CDFA agree that Contributor will receive an investment tax credit in the amount of 75% of the amount of each Annual Donation pursuant to RSA 162-L:10 (the "Credit"). Contributor's obligation to make Annual Donations shall be subject to the existence of statutory authority for the Credit.
3. CDFA shall award tax credits in exchange for Annual Donations as described in Section 2 above and shall provide all documentation necessary for the Contributor to claim such tax credits in each state fiscal year upon a first-come first-served basis. CDFA reserves the right, in its sole discretion, to accept Annual Donations in any state fiscal year in an amount that exceeds the limit set forth in New Hampshire RSA 162-L:10, IV(b). Any Annual Donation received that is not eligible for a tax credit in a given state fiscal year due to the timing of its receipt shall be carried forward to the next succeeding state fiscal year or years and shall be given priority in determining the total contributions received by CDFA that are eligible for credit in such state fiscal year pursuant to RSA 162-L:10.
4. Contributor's pledge to make the Annual Donations is made for the purposes expressed herein, and CDFA's ability to accept the Annual Donations, CDFA's subsequent use or conveyance of the Cash, and the Contributor's ability to obtain a tax credit for each Annual Donation shall at all times comply with and be limited by New Hampshire RSA 162-L, as revised from time to time.
5. Contributor agrees that it shall not enter into any agreements or arrangements with any individual, entity, or organization including, without limitation, the recipient of the Annual Donations for projects approved by CDFA, for the purpose of being reimbursed or recouping any Annual Donations that do not qualify for investment tax credits.
6. This Agreement shall supersede all prior agreements as to the subject matter hereof, shall be binding upon the successors of the parties hereto, may not be assigned or modified without the agreement, in writing, of CDFA, and shall be governed by New Hampshire law.
7. The parties shall execute such further documents and do all things necessary to carry out the terms of this Agreement.
8. Contributor shall be solely responsible for examining the state and federal tax laws with respect to this donation. CDFA has made no representations with respect to the tax effects of this donation other than those made in this Agreement. Contributor has relied on its own accountants and tax counsel in analyzing the tax effects of this donation.
9. The prevailing party in any legal action to enforce this Agreement and collect the Annual Donations shall be entitled to reasonable attorney's fees and costs.

By my signature below, I hereby agree to be bound by the terms of the Pledge Agreement. Contributor agrees to these terms as of the date of receipt of any pledge to donate to CDFA.

KEY TAKEAWAYS FOR PLEDGING

- Tax Credit Pledge is a legal and binding document
- Use the online pledge form
- Donor may select more than one pledge payment date
- Pledge payment dates should be concurrent with the year(s) allocated
- CDFA sends a tax credit letter after the pledge is fulfilled

GRANT ADMINISTRATION



INVESTING IN NEW HAMPSHIRE COMMUNITIES

RESOURCES AVAILABLE

HOW TO INVEST



[SCHEDULE A MEETING](#)[APPLY / GRANTS MANAGEMENT](#)[MAKE A PLEDGE](#)[MAIN WEBSITE](#)[HOME](#)[PROGRAMS ▾](#)[WORKING WITH CDFA ▾](#)[HOME](#) → [PROGRAMS](#) → [TAX CREDIT PROGRAM](#)

Pre-application

- [Program Overview & Objectives](#)
- [Key Dates](#)
- [Workshop Materials](#)

Application

- [Program Overview & Objectives](#)
- [Eligibility](#)
- [Guidelines](#)
- [How to Apply](#)
- [Evaluation](#)

Implementation

- [Grant Administration](#)
- [Accessing Funds](#)
- [Reporting Requirements](#)

Tax Credit Program

CDFA's Tax Credit Program is a competitive community and economic development investment program that awards approximately \$5 million in tax credits annually. The program aims to support organizations that are engaged in community economic development initiatives that show a high degree of community support, build partnerships and leverage other resources.

Grants made to eligible projects are in the form of tax credit equity and serve as a powerful fundraising tool. Businesses with New Hampshire tax liability support awarded projects by purchasing the credits resulting in the nonprofit receiving a donation and the company receiving a 75 percent New Hampshire state tax credit against that contribution. The credit can be applied against the Business Profits Tax, Business Enterprise Tax or Insurance Premium Tax. The donation may also be eligible for treatment as a state and federal charitable contribution.

The Tax Credit Program is a proven example of how to achieve local priorities by leveraging public-private partnerships.

<https://resources.nhcdfa.org/programs/tax-credit-program/implementation/>

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Implementation

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- [Accessing Funds](#)
- [Reporting Requirements](#)

ALLOCATIONS

FUNDRAISING TIMELINE

SFY 2025

Pledges: March 31, 2025

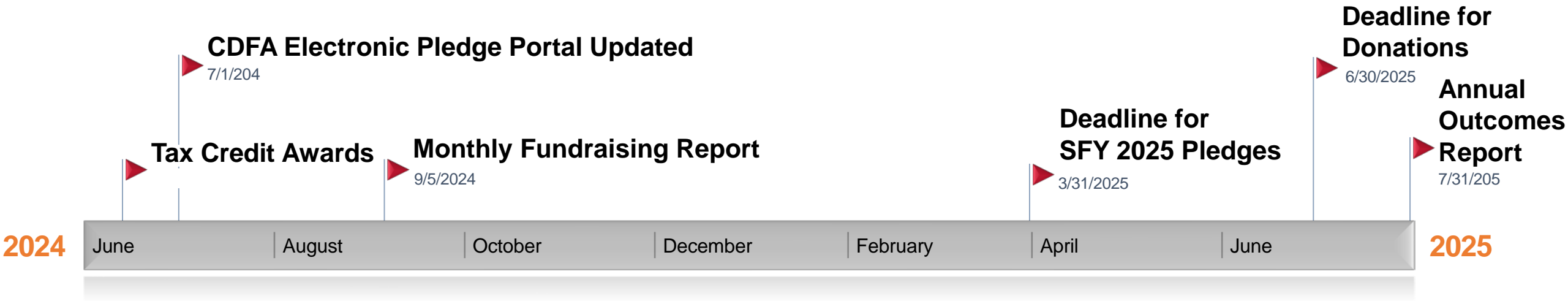
Donations: June 30, 2025

SFY 2026

Pledges: March 31, 2026

Donations: June 30, 2026

GRANT TIMELINE



Fundraising

Contract Sent via GMS

**Disbursements
(as available)**

GRANT ADMINISTRATION



CORRESPONDENCE & GRANT DOCUMENTS



DONOR MANAGEMENT



CLAIMS



STATUS REPORTS

CORRESPONDENCE & GRANT DOCUMENTS

Award letter

- Allocation breakdown

Contract

- Allocation
- Fundraising timeline
- Reporting requirements
- Security
- Outcome measures

Other communication

AWARD LETTER

Award letter

- Allocation breakdown
- Authorized Official
- www.nhcdfragrants.org

DONOR MANAGEMENT

Donor Management Information:

- Donor
- State Fiscal Year
- Pledge Amount
- Pledge Date and Due Date(s)
- Amount Received and Date(s)
- Total Amount Received
- Balance Due on Pledge
- Donor Tax Credit Deduction
- Signed Pledge Agreement

CLAIMS

Signed by the Authorized Representative

Include all applicable invoices

Dates are consistent between the claim, invoices
and reporting period

Summary of payment request for eligible expenses
in relation to your project



STATUS REPORTS

Annual Report due July 31 each year grant is active and includes:

- Summary of progress towards outcome measures and timeline for meeting goals
- Data input of proposed outcomes vs. actual outcomes achieved to-date
- Annual Report for your organization
- Most recent audited financial statements for your organization
- Monthly Fundraising Reports and Amendment Requests are also accessed here

ONLINE RESOURCES

CDFA's Resource Hub: resources.nhcdfa.org

Donor materials

- Overview of the Tax Credit Program
- FAQs
- Tax Credit Calculator
- Sample Pledge Agreement

Grantee materials

- Administration information
- How to access funds
- Reporting requirements
- How to use the Grants Management System
- Today's PowerPoint

NEXT STEPS

Email from CDFA including links to:

- Today's presentation and recording
- Tax Credit / Community Economic Development Capacity Building Implementation sections on the Resource Hub

Notification and instructions for your award letter



Community Development Finance Authority
www.nhcdfa.org