



Tax Credit Opportunities for Virginia Individual Taxpayers

Virginia Neighborhood Assistance Credits – The purpose of the Virginia Neighborhood Assistance Act is to encourage individuals, trusts and businesses to make donations to pre-approved 501(c)(3)(4) non-profit organizations, known as Virginia Neighborhood Assistance Programs (“NAPs”). Tax credits are available to individuals and married couples donating cash or securities directly to NAPs. The minimum amount to be donated is \$500 by an individual or married couple, or \$616 by a business. Any eligible the charitable organization must have applied to participate in the Virginia Neighborhood Assistance Program to be allocated credits. If you contribute to a participating charitable organization, you must fill out the Contribution Notification Form and submit it to the charitable organization. The charitable organization will then notify the Virginia Department of Taxation that you have been transferred credits and you will be issued a tax credit certificate, which will need to be attached to your Virginia tax return.

Only a limited amount of credits are available for each qualifying charity each year. You might not receive a credit if the organization has already distributed its share of credits. If you receive more credits than you can use this year, the credits may be carried forward for up to five years.

For more information about the Virginia Neighborhood Assistance Act and for a full list of qualifying charitable organizations, go to the Department of Social Services website at <http://www.dss.virginia.gov/community/nap.cgi>. Please contact our office if you have questions on the Virginia NAP.

Virginia Livable Home Tax Credit – The Virginia Livable Home Tax Credit (“LHTC”) is a program designed to improve accessibility and universal visitability in Virginia residential units by providing state tax credits for the purchase of new units or the retrofitting of existing housing units. In order to be eligible to receive the tax credits, the following conditions must be met:

- New residential units must include at least three features of the universal visitability standards or at least three accessibility features.
- Existing units being retrofitted must include at least one accessibility or visitability feature.
- All accessibility and universal visitability features must conform to provisions of the Virginia Uniform Statewide building code
- Features that are provided in order to comply with existing Fair Housing, Equal Opportunity, Americans with Disabilities Act or other local, state or federal requirements are not eligible for state tax credits



- Accessibility features funded through the Granting Freedom Program, Indoor Plumbing Rehabilitation program, Community Development Block Grant program or other local, state or federal programs are not eligible for tax credits.

Examples of accessibility features include:

- Zero-step entrance
- Doors with at least 32 inches of clear width
- Accessible bathrooms
- Accessible and useable kitchen facilities
- Accessible light switches, electrical outlets and environmental controls
- Sensory modifications

Tax credits are capped at \$5,000 for the purchase of a new accessible residence and up to 50 percent of the cost of retrofitting existing units, not to exceed \$5,000. Any tax credit that exceeds an individuals' tax liability can be carried forward seven years. The total amount of tax credits that can be issued statewide each fiscal year cannot exceed \$1,000,000. If this amount is surpassed, then the credits will be pro-rated among the eligible applicants.

Applications, along with appropriate documentation must be submitted to the Virginia Department of Housing and Community Development no later than February 28th of the year following completion of the work.

For more information about the Virginia Livable Home Tax Credit program and for information about what costs qualify under the eligibility requirements, please visit the Virginia Department of Housing and Community Development website at <http://www.dhcd.virginia.gov/LHTC>. Please contact our office if you have questions on the Virginia LHTC.