

Interfaith Housing Services Recent IDA Tax Credit History

Interfaith Housing Services developed their IDA Program after other organizations tried but were unsuccessful mainly due to their inability to raise tax credit donations and fund the program. In July, 2007 IHS was awarded \$100,000 in State Tax Credits for 2007 and 2008 to fund our program. We allocated funding for program start-up expenses, wrote policies and procedures to manage the program and used a variety of resources to develop our financial education curriculum. Our program quickly became successful resulting in the Department of Commerce requesting we begin working to expand the program statewide. Just two years later, in July of 2009, Interfaith Housing Services was asked to administer \$450,000 and began expanding into other communities. During the past six months IHS has spent a large amount of time marketing, promoting, and expanding the available tax credits and the IDA program. While we did successfully raise over \$180,000 dollars in tax credit donations IHS was not able to utilize all of the credits available for a number of reasons.

1. The Department of Revenue and Department of Commerce failed to list IHS and the IDA Tax Credit as an available state tax credit on their websites until notified by IHS late last fall, causing accountants across the state to tell their clients we did not have tax credits when indeed we did.
2. The Department of Commerce and Department of Revenue mistakenly allowed and promoted privilege and gross premium tax to be offset until November of 2009 when they repealed their decision allowing use of the credit for those purposes. By that time, we had already promoted this usage to over 50 banks and insurance companies across our service area. Interfaith Housing was then forced to return and refuse these types of contributions.
3. Tax Credits are not common, and many taxpayers are uneducated on their benefits.
4. The IDA tax credit is unknown to most accounts, even those familiar with tax credits IHS has only recently begun making connections and establishing our reputation in communities outside of Reno County.
5. People are naturally wary of new nonprofits and while trying to increase awareness of our mission and programs we were simultaneously trying to sell tax credits.
6. The general view of the state and national economic situation was uncertain for both individuals and businesses reducing confidence in abilities to make charitable contributions.
7. There was an abundance of available 75% state tax credits in many of the communities in which we market the IDA tax credits thereby making it not nearly as desirable.

In conclusion, we have received many pledges of support for this program in 2010 and beyond. Donors want to bring the program into their communities and county Economic Development Corporations have also expressed an avid interest in helping with the sale of tax credits in order for IDAs to be offered in their area. Interfaith Housing Services is confident in our success if the availability of these tax credits continues.