

## Attainable Homeownership Tax Credit

*This tax credit program is critical in helping Habitat build more homes for struggling Hoosier families. Over the course of this program, we hope to provide 300 families with improved housing every year in the state of Indiana. A tax credit incentive for donors is a great way to get more local investment in our work. In this program, donors will receive half of their donation back as a tax credit to reduce their Indiana state income tax liability. See commonly asked questions about the program below.*

### **Donor FAQs**

**1. What types of donations are accepted?**

Cash, checks, credit cards, stocks, bonds, land/real estate, cryptocurrency, and larger in-kind gifts of building materials are eligible for the program.

**2. Is there a maximum donation or tax credit amount for this program?**

A donor can make any size donation but may only claim a maximum of \$10,000 in tax credits in a given tax year. (Donations over \$20,000 do not receive more than \$10,000 in tax credits).

**3. Can I donate every year and get a tax credit?**

Yes, a maximum of \$10,000 in tax credits can be awarded every year if your affiliate has credits available. Credits are processed on a first-come, first-served basis until they are expended or drawn down each year. The tax credit program is currently scheduled to sunset on January 1, 2030.

**4. Can I carry forward any leftover tax credits? What are the carry forward rules?**

You may only carry forward tax credits if your tax liability is less than the tax credit amount in a given year. For example, if you have \$10,000 in tax credits and you only have \$8,000 in tax liability, then you may carry forward the difference of \$2,000 in tax credits for up to 5 years until you expend all the credits. Credits are expended based on the year they were acquired; older tax credits must be used before new tax credits may be applied.

**5. Why am I making the donation to Habitat for Humanity of Indiana (HFHIN) instead of my local affiliate?**

HFHIN is processing all the tax credits at the request of the State of Indiana so there is only one point of contact to process tax credits and ensure privacy, proper accounting, and accurate interface with the Department of Revenue. Due to the volume of tax credits in this program, this will ease the administrative burden for affiliates. Simply send your form and donation in the pre-paid business reply envelope, and HFHIN will take care of the rest.

**6. When will I get my tax credit information?**

After the donation is made, HFHIN will send you an acknowledgement letter that will have all the pertinent information needed for your tax professional to fill out your Indiana income tax forms to properly claim your credits.

**7. How will I know that my local affiliate got my donation?**

In addition to an acknowledgement letter from HFHIN for the tax credits, your local affiliate will also send a thank you upon receipt of the gift.

**8. What number do I call if my tax preparer has questions about our tax credit claim?**

Reach out to email [taxcredit@habitatindiana.org](mailto:taxcredit@habitatindiana.org) or call (317) 454-8090 and ask for Maggie Wimberly if you need any assistance with your tax credit claim.

**9. Where do I claim the tax credit on my Indiana income tax return?**

Schedule IN OCC (Other Certified Credits) on your state income tax return.

**10. How do I donate land or real estate?**

All land donations must be approved by the local Habitat affiliate as suitable for their use, prior to making the donation. In addition to approval, there must be an independent third-party appraisal performed to establish the value. Once completed, there will be title work performed at Barrister Title to ensure clear title. At that time, a corporate warranty deed will be prepared. No limited warranty deeds will be allowed. To process the tax credit, the donor will need to fill out a tax credit donor contribution form and attach a copy of the appraisal when sending it to Habitat for Humanity of Indiana. The first step in making a land/real estate donation is talking with your local Habitat affiliate.

**11. How do I make an in-kind donation?**

An in-kind gift must be approved and received by the local Habitat affiliate and an in-kind donation form will need to be completed. The tax credit is for building new units of homeownership, so materials must be used in construction to meet that goal. To process the tax credit, send the tax credit donor contribution form and attach a copy of the in-kind donation form to send to Habitat for Humanity of Indiana.

**12. Can I donate labor for a tax credit?**

The Indiana Department of Revenue does not allow in-kind gifts of labor for any of its programs including the Attainable Homeownership Tax Credit.

**13. What kinds of donor advised funds (DAFs) are eligible for a tax credit?**

Contact your tax professional if you are seeking a tax credit from a donation from a donor advised fund. The Indiana Department of Revenue has specific rules related to DAFs. Please do not make a grant from a Donor Advised Fund without first discussing this with your tax preparer or lawyer.

**14. Can I make a donation from an IRA/QCD/RMD?**

Contact your tax professional if you are seeking a tax credit from a donation from a retirement account. The Indiana Department of Revenue and the Federal Internal Revenue Service have specific rules related to donations made via IRAs (including QCDs and RMDs). Please do not make a gift from an IRA without first discussing this with your tax preparer or lawyer.

**15. How do I make a gift of stock?**

Speak with your local affiliate about the donation you would like to make or contact [taxcredit@habitatindiana.org](mailto:taxcredit@habitatindiana.org) to be connected to our broker. Our policy states that stock is sold the day after receipt, and the Donation and Attainable Homeownership Tax Credit valuations are based on that sale amount.

**16. What does Habitat for Humanity of Indiana do with my data and contact information?**

The data concerning your contribution and tax credit will be shared with the Indiana Department of Revenue to process your tax credit. Your data will also be shared with your local Habitat affiliate so they can send a thank you. HFHIN does not share or sell donor data to any external agency.

**17. What are the start and end dates of the AHTC?**

The tax credits are in the Indiana state budget beginning on July 1, 2024. The program is due to sunset on January 1, 2030.

**18. If I made a gift to an affiliate previously and did not know about this tax credit, may I still get one?**

Yes, but it will require the affiliate writing you a check back for the donation and you reissuing one to Habitat for Humanity of Indiana, as they are the only Habitat agency that can process a tax credit.

**19. Can I claim other tax credits like NAP, in addition to the Attainable Homeownership Tax Credit on my taxes?**

Yes, you may be able to use multiple tax credits, but you should consult with your tax professional to be sure you understand the limits on any other tax credit program you are participating in. Donors are allowed a maximum of \$10,000 per tax year for the Attainable Homeownership Tax Credit.