2016 Tax Credits Available

**Entrepreneurship Tax Credits Available in Edwards County**

Edwards County has been selected to become an E-Community (Entrepreneurial Community) through Network Kansas for the purpose of growing and supporting local businesses and entrepreneurs. As an E-Community, Edwards County Economic Development (ECEDC) has the ability to sell Entrepreneurship Tax Credits to donors to create a fund that will support entrepreneurial training for startup and existing business as well as fostering the entrepreneurial spirit in our youth. In addition, this fund can be used to provide creative financing beyond the capabilities of existing loan funds.

**Donors benefit by receiving a 75% Tax Credit!** The Entrepreneurship Tax Credit provides a 75% state income tax credit to donors who contribute a minimum of $250 to the fund. This tax credit is a **dollar-for-dollar credit** against state income tax liability; meaning, for every $1,000 contributed, donors will receive a $750 credit directly off of their state income tax liability. Donors are also eligible to receive a federal and state tax deduction for their donation. Contact your tax advisor to determine how this opportunity might benefit you or your business. You do not have to live or work in Edwards County to take advantage of these tax credits. **Anyone with a Kansas state income tax liability is eligible.**

**How Do I Donate to the Fund?**

Contact ECEDC to reserve your tax credit allocation. Make donation checks payable to the Kansas Center for Entrepreneurship and mail it to the ECEDC office at PO Box 161, Kinsley, KS 67455. **The deadline for donations is December 19, 2016**.

**What are the Individual Minimum and Maximum Annual Tax Credits Allowed?**

The minimum allowable tax credit per year is $187.50, which translates into a donation of $250. The maximum allowable credit per year is $50,000, which translates into an approximate donation of $66,667. If the amount of the tax credit exceeds the contributor’s liability in the taxable year, the remaining portion of the credit may be carried forward until the total amount of credit is applied.

**Who Can Donate?**

Individuals and corporations\* can donate to the Kansas Center for Entrepreneurship. Anyone with a Kansas state income tax liability. (\*If the donor is a corporation with an election in effect under Subchapter S of the Federal Internal Revenue Code or is a partnership, the credit provided by this section shall be claimed by the shareholders of these corporations or the partners must account for their proportionate shares of the income or loss of these corporations or partnerships.)

**Who Cannot Donate?**

Banks are not eligible for the Entrepreneurship Tax Credit due to privilege tax limitations.

**Where Does The Money Go?**

Donations to the Center, on behalf of Edwards County provide entrepreneurial training and matching loans to entrepreneurs and small businesses through Edwards County Economic Development.

**How to Claim the Tax Credit**

A K-31 Form is required with the individual tax form and is available online through the Kansas Department of Revenue.

**Questions?**

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