CDAA Tax Credits assisted Habitat for Humanity of Gage County in acquiring the funding necessary to rehab and build new homes for those in our community in need of a decent place to live.

Allen Grell
Construction Manager
Habitat for Humanity, Gage County

THE COMMUNITY DEVELOPMENT ASSISTANCE ACT (CDAA) was created in 1985 by the Nebraska Legislature to encourage private investment in support of nonprofit community betterment organizations—part of an effort to implement community service and development projects in chronically distressed areas.

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Allen Grell
Construction Manager
Habitat for Humanity, Gage County

For a copy of CDAA application guidelines (Form CDAA-1) and tax credit request forms, visit [www.opportunity.nebraska.gov](http://www.opportunity.nebraska.gov)

or contact:

CDAA Coordinator
Nebraska Department of Economic Development
Housing and Community Development Division
P.O. Box 94666
Lincoln, NE 68509-4666
(800) 426-6505 or
(402) 471-3111
fax: (402) 471-8405
WHAT TYPES OF PROJECTS QUALIFY?
• Employment training
• Social and medical services
• Physical facilities and neighborhood development services
• Recreational and educational activities
• Crime prevention

WHO MAY APPLY?
1. A village, city or county government, or an IRS-designated nonprofit 501 (c)(3) organization.
2. The area served by the project must be designated by the Nebraska Department of Economic Development (DED) as undergoing chronic economic distress.

WHAT IS CHRONIC ECONOMIC DISTRESS?
As defined by the Nebraska Legislature, it includes areas that exceed state averages in a majority of the following: an unemployment rate in excess of the state average of unemployment, per capita income below the statewide average per capita income; or, a population loss between the two most recent federal decennial censuses.

HOW DO BUSINESSES AND INDIVIDUALS CLAIM STATE TAX CREDITS? After contributing to an approved community betterment project, the contributor must complete and submit Form CDAA-1 to DED, along with proof of the contribution. This form is available from all approved community betterment organizations, and DED. The contributing entity will then receive a completed copy of Form 1099NTC. In turn, this form is attached to the contributor’s tax return.

HOW LONG DO BUSINESSES AND INDIVIDUALS HAVE TO CLAIM TAX CREDITS? Credits must be claimed during the tax year in which the contribution is made. Any credit balance may be carried over and applied against the entity’s tax liability for the next five years following the tax year in which the credit was first properly claimed and allowed.

IS THERE A LIMIT ON TAX CREDITS? No more than $75,000 in state tax credits are approved per project, with a total of $350,000 allocated to qualifying projects during a fiscal year.

HOW DO CONTRIBUTORS BENEFIT FROM APPROVED CDAA PROJECTS? The state tax credit reduces the contributor’s state tax liability, and qualifies the contributor for any federal charitable deductions for which the contribution is eligible.

*Example varies with each contributor. Please check your tax advisor to verify implications of your contribution.