

## Quick overview of E-Community Entrepreneurship Tax Credits:

The entrepreneurship tax credits have a 75% percent value of the donation to receive them. As in the example in the notice (below) from Network Kansas about the credit program, this is one of the highest percentage tax credits a donor (purchaser) in the State of Kansas can utilize. This amount of tax credits can be utilized on your 2010 tax return by your business or as an individual basis.

If Phillips County is chosen (through application) to be an E-community, the monies raised through tax credit donors (purchasers) will be put into a fund specifically designated to be used for entrepreneurial business development in Phillips County. At least fifty (50) percent of the tax credits need to be committed toward in the application, with a higher percentage increasing our chances. The hopeful goal is to apply for the maximum of \$125,000 dollars of tax credits for 2010. Our application deadline is August 16, for attaining at least half of the goal, if not more. Any person or group outside our county that pays Kansas Taxes could make the commitment and acquire these credits. So, if you have contact with anyone desiring to help our cause, please forward this information and encourage them to contact our office.

Upon being designated an E-community (county-wide) through Network Kansas, we will contact all those individuals that have made a commitment toward a donation for tax credits. October 31, 2010 will be the date Network Kansas announces the E-Communities selected across the State of Kansas. Between that time and December 16, 2010, the donor will contribute their funds for the tax credits through the administrator and/or the Phillips County E-Community Response Team. More information at that time will be sent. Obviously, if we do not get the designation, there will be no tax credits to give out for your verbal commitment.

If you have any questions about the program, those tax credits or the process we are going through to pursue E-community designation, please contact the PCED office at 785-543-5809.

Below is the official piece of documentation from Network Kansas on this program:

*Communities selected to become an E-Community will use Entrepreneurship Tax Credits (Senate Bill 430 restored the value to 75% for 2010) to raise funds that will be specifically used for entrepreneurs and small businesses in their community. Funds will be donated to the Kansas Center for Entrepreneurship and designated to the appropriate E-Community. The E-Team will be responsible for collecting the donations. Donors that receive tax credits can be individuals or corporations\*. Banks cannot utilize Entrepreneurship Tax Credits because of privilege tax provision. Donors are also eligible for federal and state tax deductions and should consult with their tax advisor. The minimum donation per year for each individual or corporation is \$250 which translates into a tax credit of \$187.50. The maximum donation for each individual or corporation is \$66,667 (approximate) which translates into a tax credit of \$50,000. Donors use a K-31 Entrepreneurship Tax Credit form to be submitted with their tax return. Tax credit allocations will be for a limited and specified period of time. Tax credits not utilized within the specified period of time will be reallocated.*

*\*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*