

IDA Tax Credit!

For Michigan Income and Business Tax

Lower Your Tax Liability

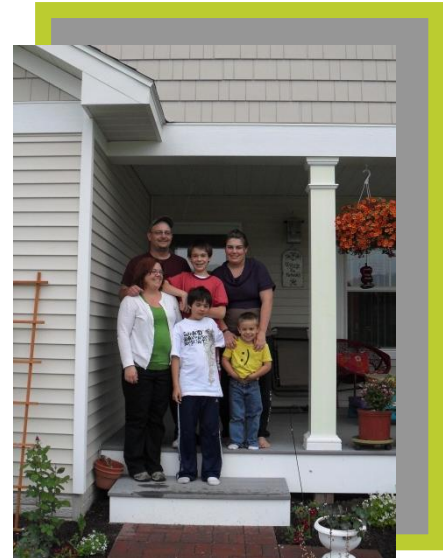
Michigan legislation (Public Acts No. 450 of 2008) allows for an unprecedented State tax credit for private contributions to Michigan-based Individual Development Account (IDA) programs. These nonrefundable credits apply to the Michigan Income Tax and the Michigan Business Tax. Contributions to an IDA program are eligible for a \$0.75 credit for every \$1.00 donated.

It's Easy to Contribute to IDAs

- Personal or corporate checks, certified checks, or money order should be made payable to the Michigan IDA Partnership (MIDAP)
- Contributors are sent a letter of acknowledgement
- Contributions must be dated no later than December 31 for a tax credit that year

~ Tax credits are allocated on a first come, first serve basis until the amount of credits reaches the state's \$1 million limit

~ Contributions to MIDAP can be used for a federal income tax deduction



What are IDAs?

Individual Development Accounts (IDAs) are matched savings accounts available to Michigan residents at or below 200% of the poverty level.

IDAs provide a match to individuals who save for the purchase of an asset. IDA participants can use their savings toward the purchase of a home, start-up of a small business, or for tuition for post-secondary education or training.

IDA Matches:

3:1 match for purchase of a home

2:1 match for small business

2:1 match for education

IDA match money is NOT A HANDOUT!

Receipt of IDA match money is contingent upon an individual dedicating a portion of their own income to savings in their IDA, using their savings toward purchase of a qualified asset, and completion of asset-specific training programs. Simply put, the IDA is a tool that promotes asset building for those in our state that need it most, and those contributing to the IDA program receive a sizeable tax credit in return. Everyone benefits!



IDAs Have Proven Effective in Michigan!

1,987 IDAs were opened in Michigan between 2000-2010:

- 1,621 resulted in asset purchases
 - o 1,140 homes purchased
 - o 291 used for education
 - o 186 used for businesses

IDA participants in Michigan **saved a total of \$1,720,047**

Participants saving for home purchases **leveraged \$89,758,975 in mortgages**

Michigan IDA Participants **improve financial behavior** during and after participation in an IDA program:

- 92% of participants leave the program with a checking account compared to 78% entering the program with a checking account
- 42% of participants continue to save after completing the program
- Up to 23% of participants increase their credit score during or after participation

While IDAs have helped over 1500 Michigan residents save and purchase a home, start a small business, or enroll in postsecondary education or training, more than 750,000 people in Michigan qualify to participate in an IDA program but cannot because of a lack of funding resources at MIDAP.

Contributions to MIDAP greatly help IDA programs in Michigan to open new accounts and increase participation in the programs, helping more hardworking Michigan residents to save and invest in their futures.

Please, contribute to MIDAP today!

"I went from nothing to owning a home which seemed like an impossible dream...I have worked really hard and feel a sense of accomplishment."

- ***Audrey, IDA Participant***

You can support IDA programs in Michigan by sending a check made out to MIDAP to:

Michigan IDA Partnership
196 Cesar Chavez Avenue
P.O. Box 430598
Pontiac, MI 48343

For more information, please go to www.midap.info/ida-tax-credit or contact one of the following:

- Oakland Livingston Human Service Agency
@ **248-209-2691**
- Community Action Agency
@**517-784-4800 (x278)**
- Northwest Michigan Community Action Agency
@ **(231) 947-3780**
- Inner City Christian Federation
@ **616-336-9333 (ext 300)**

The MI Dept of Treasury requires a SSN for contributions of \$500+ for this tax credit. Place SSN on your check/money order or contact MIDAP directly to provide your SSN.

MIDAP supports five **Regional Coordinating Organizations** that provide IDAs in Michigan:

- **United Way for Southeast Michigan** (Detroit Region)
- **Northwest Michigan Community Action Agency** (Northern Region)
- **Community Action Agency** (Southern Region)
- **Oakland Livingston Human Service Agency** (Thumb Region)
- **Inner City Christian Federation** (Western Region)

