

State Tax Credits for Affordable Housing Donations

Contribute to affordable housing and get up to 90 percent of your contribution back through state tax credits and other deductions.



Housing New Mexico



MFA has received more than \$12.5 million in contributions to affordable housing.



New Mexico's Best Kept Tax Secret

Get up to 90 percent of your contribution back through state tax credits and other deductions.

Example of a \$1,000 contribution to either the New Mexico Affordable Housing Charitable Trust or an affordable housing project approved by MFA.*

Contribution Amount or Value	\$1,000
<i>Land, buildings and services require an appraisal or valuation</i>	

New Mexico Affordable Housing Tax Credit	- \$500
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Equivalent to 50% of contributions of \$200 or more

May be used against NM income, gross receipts, compensating and withholding taxes

May be carried forward for five years

May be transferred or sold one time and divided among numerous transferees

Deduction on tax returns	- \$400
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If contribution is made to the New Mexico Affordable Housing Charitable Trust or another 501(c)3 nonprofit organization

Out-of-Pocket Costs	\$100
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**Assumes a combined federal and state tax rate of 40 percent.*

Two Ways to Contribute



1

New Mexico Affordable Housing Charitable Trust

Contribute cash, cash equivalents, stocks and bonds.



Contributions to the Charitable Trust paid to weatherize Pete and Marylou Felix's home in Belen.

The Charitable Trust is a 501(c)3 nonprofit organization administered by MFA, the state's affordable housing finance agency. MFA uses cash and similar contributions to the Charitable Trust to fund weatherization services, housing rehabilitation and affordable housing construction.

Pete and Marylou live in an older home and have struggled to stay warm for the past few years. Pete suspected that the heater was failing and installed a wood stove. Sadly, after a recent heart attack, he was unable to chop wood for the upcoming winter.

Good news arrived at the Felix home in 2018. Pete and Marylou were approved to have their home weatherized through MFA's NM Energy\$mart program. MFA used contributions to the Charitable Trust to pay for weatherization of the home.

Pete and Marylou now have a new energy-efficient heater, water heater, CO2 detectors and smoke alarms, along with mechanical ventilation and highly-rated insulation. They expect to save \$850 per year in utility bills, which is significant for a family that relies on a fixed social security income.

2

Affordable Housing Project

Contribute cash, land, buildings, materials or services.



Contributions to Habitat for Humanity helped build these homes in northwest Albuquerque.

Contributions to MFA-approved affordable housing construction and rehabilitation revitalize communities, create local construction jobs and provide quality housing.

MFA approves many affordable housing projects every year and issues state tax credits for contributions associated with those projects. Projects may include single family or multifamily rental homes, transitional housing and facilities for individuals experiencing homelessness. Individuals and businesses can contribute to nonprofit organizations or developers leading the projects.

In 2015, MFA approved a project led by Greater Albuquerque Habitat to build affordable homes in northwest Albuquerque. Since that time, Habitat has received contributions from individuals and businesses, passed state tax credits on to the contributors, and is using the contributions to build 22 affordable homes. The homes are being purchased by low-income, first-time homebuyers.

Go to MFA's website, housingnm.org, to see other affordable to see other affordable housing developments to which you can contribute directly.



One Way to Benefit

- Download and complete a New Mexico Affordable Housing Tax Credit investment voucher from:
housingnm.org/resources/affordable-housing-charitable-trust
- For cash contributions to the Charitable Trust, send your check and completed investment voucher form to *MFA-Charitable Trust, 344 Fourth Street SW, Albuquerque NM, 87102*. For contributions to an affordable housing project, return your completed investment voucher form and required documentation to the organization or developer leading the project. The organization or developer will send your form to MFA.
- You will receive a copy of the completed investment voucher from MFA or the lead organization/developer.
- Claim your tax credit by downloading and completing the *Affordable Housing Tax Credit Claim Form RPD-41301* from tax.newmexico.gov and attach it to your state tax return.
- Don't forget to ask your tax advisor to claim the charitable deduction on your state and federal tax returns, for additional tax benefit.

Sound too good to be true?

Refer your tax advisor to *NMSA Section 7-91-1: Affordable Housing Tax Credit Act*.

Questions?

Please email MFA at info@housingnm.org or call 505-843-6880.

Complete information can be found by going to

housingnm.org/resources/affordable-housing-charitable-trust





New Mexico Mortgage Finance Authority
344 Fourth Street SW, Albuquerque, New Mexico 87102
505.843.6880 800.444.6880 housingnm.org

