



## NEW NORTH DAKOTA TAX CREDIT

### NEW STATE TAX LAW

The ND Legislature recently passed a new tax law that enables individuals and businesses to qualify for a state income tax credit of 40% for charitable gifts to qualified endowments. This is a unique opportunity, as only one other state in the nation offers a similar benefit. Depending on the size of the gift, businesses could save up to \$10,000 and couples filing jointly up to \$20,000!

### TAX CREDIT BENEFITS FOR BUSINESSES AND FINANCIAL INSTITUTIONS

Businesses and financial institutions, including C corporations, S corporations, estates, limited liability companies and trusts, may qualify for a state tax credit of 40% of the value of the charitable contribution, up to a maximum credit of \$10,000 per year. Unused credit may be carried forward for up to three tax years.

### TAX CREDIT BENEFITS FOR INDIVIDUALS

Individuals may receive a state tax credit for a contribution of \$5,000 or more (lump sum or aggregate in one year). The tax credit is 40% of the charitable deduction allowed by the IRS, up to a maximum credit of \$10,000 per year per taxpayer or \$20,000 per couple filing jointly. Individuals in the 28% federal tax bracket may realize the following tax benefits.

<b>GIFT AMOUNT:</b>	<b>\$5,000</b>	<b>\$25,000</b>	<b>\$50,000</b>
<b>Federal Tax Savings:</b>	<b>-\$1,400</b>	<b>-\$ 7,000</b>	<b>-\$14,000</b>
<b>ND Tax Credit:</b>	<b><u>-\$2,000</u></b>	<b><u>-\$10,000</u></b>	<b><u>-\$20,000</u></b>
<b>Net Cost of Gift:</b>	<b>\$1,600</b>	<b>\$ 8,000</b>	<b>\$16,000</b>

### GIFTS MADE TO QUALIFIED ENDOWMENTS AT CVIC

Endowments that qualify for the new North Dakota tax credit are permanent, irrevocable funds held by a qualified nonprofit organization such as CVIC, in which the principal is saved and the earned interest and appreciation are used to support operations. Individuals and businesses making a gift to CVIC's endowment may be assured that CVIC's giving program is built upon high ethical and professional standards. To ensure organizational integrity and lasting and productive partnerships with our supporters, CVIC treats contributors thoughtfully and with their best interests in mind, promotes open communication and provides full disclosure of its activities, use of funds, policies and procedures, is independently audited each year for accountability, and effectively maintains gifts to guarantee their continued value to the community. As always, before making an endowment gift, we suggest you contact your financial adviser.

### MORE INFORMATION

Contact Edie Dahlen of the Community Violence Intervention Center at 701•746•0405 or [edie@cviconline.org](mailto:edie@cviconline.org).