

The ND Tax Credit...is still here!

North Dakota has established a Tax Credit (ND Century Code 57-38-01.21) that allows individuals, businesses, trusts, and estates to take advantage of a 40% state tax credit for contributions of \$5,000 or more to qualified ND charitable endowment funds. Even better, the unused portion of that state tax credit can be carried forward for three years.

Your donation to your parish endowment fund can go further and cost you less!

General Tax Benefits:

12% marginal tax rate on individual return	Gift Amount	\$5,000	\$10,000	\$20,000	\$25,000	\$50,000
	Federal Estimated Tax Savings*	(\$600)	(\$1,200)	(\$2,400)	(\$3,000)	(\$6,000)
	ND Income Tax Credit**	(\$2,000)	(\$4,000)	(\$8,000)	(\$10,000)	(\$20,000)
	Net Cost of Contribution	\$2,400	\$4,800	\$9,600	\$12,000	\$24,000
24% marginal tax rate on individual return	Gift Amount	\$5,000	\$10,000	\$20,000	\$25,000	\$50,000
	Federal Estimated Tax Savings*	(\$1,200)	(\$2,400)	(\$4,800)	(\$6,000)	(\$12,000)
	ND Income Tax Credit**	(\$2,000)	(\$4,000)	(\$8,000)	(\$10,000)	(\$20,000)
	Net Cost of Contribution	\$1,800	\$3,600	\$7,200	\$9,000	\$18,000
32% marginal tax rate on individual return	Gift Amount	\$5,000	\$10,000	\$20,000	\$25,000	\$50,000
	Federal Estimated Tax Savings*	(\$1,600)	(\$3,200)	(\$6,400)	(\$8,000)	(\$16,000)
	ND Income Tax Credit**	(\$2,000)	(\$4,000)	(\$8,000)	(\$10,000)	(\$20,000)
	Net Cost of Contribution	\$1,400	\$2,800	\$5,600	\$7,000	\$14,000

* Assuming the marginal tax rate on an individual return is as listed and the donor can benefit from itemizing deductions on Federal Schedule A.

** Assuming ND income taxes would be high enough over a four-year period to use up the credit. (Current year, plus three years carry forward.) North Dakota individual income tax rates are currently in the range of approximately 2% to 4% of federal taxable income.

The general provisions of North Dakota's Tax Credit (ND Century Code 57-38-01.21) are as follows:

- 1) A 40% state income tax credit can be taken on contributions to qualified North Dakota-based charitable endowment funds.
- 2) Contributions can be made by individuals, businesses, trusts, or estates.
- 3) To qualify, the contribution must be a minimum of \$5,000.
- 4) The maximum North Dakota tax credit is \$10,000 for single tax filers and \$20,000 for those who are married and filing jointly. The maximum tax credit for a single individual would be \$10,000, equal to 40% of a \$25,000 contribution. The maximum tax credit for a married couple would be \$20,000, equal to 40% of a \$50,000 contribution.
- 5) The unused portion of the North Dakota state income tax credit can be carried forward for three years.

Make checks out to the Catholic Foundation and add the endowment of your choice on the memo line.

Send checks to: Catholic Foundation, PO Box 1175, Bismarck, ND 58502-1137
For more information, contact Matt Stevenson at 701-204-7206



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