

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 over \$5,000 to qualified charitable endowment funds. Even better, the unused portion of that state tax credit can be carried forward for three years.



Your donation to the Catholic Development Foundation can go farther and cost you less.

Take a look at the following example:

A North Dakota taxpayer in the 37% tax bracket makes a **donation of \$20,000**. After taking advantage of an estimated federal tax savings of \$7,400 and a ND income tax credit of \$8,000.

The cost of that \$20,000 donation is just..... \$4,600!

You have to like those numbers!

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

*Your donation can
go farther and
cost you less!*

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

**For more information,
contact:**

Steve Schons, CFRE

701.356.7926

www.cdfnd.org

37%
marginal tax rate on
Individual return

	Gift Amount	\$5,000	\$10,000	\$20,000	\$25,000	\$50,000
Federal Estimated Tax Savings*		(\$1,850)	(\$3,700)	(\$7,400)	(\$9,250)	(\$18,500)
ND Income Tax Credit**		(\$2,000)	(\$4,000)	(\$8,000)	(\$10,000)	(\$20,000)
Net Cost of Contribution		\$1,150	\$2,300	\$4,600	\$5,750	\$11,500

Nothing in this publication is intended to provide legal or tax advice. For the information most pertinent to your situation, please bring this document to your tax preparer and ask how the North Dakota Tax Credit can enrich your contributions.

* 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 North Dakota 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.