

ENDOW MARYLAND TAX CREDITS and the NEXT 50 CAMPAIGN

A taxpayer (businesses or individuals) who donates to a **qualified permanent endowment fund** at an eligible community foundation may be eligible for a credit against the Maryland State income tax. CFHoCo's **Next 50 Campaign** is a qualified permanent endowment fund.

The Endow Maryland credit allows for a 25% state tax deduction. Individuals and businesses may claim a maximum of \$50,000 in credits per year, representing a donation of no more than \$200,000 per year. The credit is limited to 25% of the approved donation (in cash or publicly traded securities) not to exceed \$50,000.

The credit may be taken against corporate income tax, personal income tax, insurance premiums tax or public service company franchise tax. However, the same credit may not be applied to more than one tax type.

Most importantly, an individual or business with a five-year pledge to the Next 50 Campaign endowment could apply for the Endow Maryland tax credit in *each* year of the five-year pledge, as long as there is funding still remaining in the tax credit pool in that particular calendar year.

THE NEXT
50 CAMPAIGN



Community Foundation
of Howard County



The taxpayer must apply to the Maryland Department of Housing and Community Development (DHCD) for a certification for the donation. This certification must be attached to the Form 502CR at the time the Maryland income tax return is filed. CFHoCo staff facilitates the Endow Maryland application process for the donor.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, you are entitled to an excess carryover of the credit until it is used, or it expires five years after the credit was earned, whichever comes first. Donors are encouraged to consult with their accountants or tax attorneys.

For more information contact:

Dan Flynn

Community Foundation of Howard County
10440 Little Patuxent Pkwy, Suite 230
Columbia, MD 21044
410-730-7840 x8
Email: dfflynn@cfhoco.org

or

Department of Housing and Community Development
Division of Neighborhood Revitalization
2 North Charles Street, Suite 450
Baltimore, MD 21202
410-209-5800
Email: endowmaryland.nr@maryland.gov

HOW THE ENDOW MARYLAND TAX CREDIT CAN WORK FOR YOU

How to make a \$1,000 donation cost only \$750
– even without itemizing*



* This is an example. Consult your financial advisor about your specific situation. If you itemize deductions on your federal tax return, your gift will also be eligible for the federal charitable tax deduction – reducing the cost to you even more.