

## YOUR CHARITABLE GIFTS MAKE A DIFFERENCE.

Have you ever wondered how your passion for a charitable cause could create a lasting impact in our community? Whether it's preserving our rich history, nurturing the mental health of our youth, supporting health and wellness activities, or even planting the seeds of an orchard, your dreams can become a reality with the Sheyenne Valley Community Foundation.

When you choose to contribute through us, your gift can make an immediate difference or leave an enduring legacy through an endowment fund. We offer a variety of ways to give, tailored to your preferences. You can make an immediate impact by donating cash, securities, real estate, or agricultural commodities. Alternatively, consider including the Sheyenne Valley Community Foundation in your estate plan, naming us as a beneficiary in your will, retirement plan, or life insurance policy.

Your philanthropic journey starts here, and we're here to help every step of the way.



## BUILDING STRONGER COMMUNITIES TOGETHER

The Sheyenne Valley Community Foundation is a tax-exempt nonprofit dedicated to investing in the people of rural Barnes, Ransom, and Griggs Counties. We connect donors with causes they care about and act as a catalyst for community change.

Our aim is to provide donors with a hassle-free charitable giving process, offering simple fund establishment and gift management so you can achieve your personal giving goals. We serve as the central hub for giving, allowing donors to direct their gifts to the charities of their choice.



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## A Legacy of Giving

### NORTH DAKOTA CHARITABLE TAX CREDIT

With the North Dakota Charitable Income **Tax Credit of 40%**, there has never been a better time to give a sustainable, lasting gift.



# 40% TAX CREDIT FOR INDIVIDUALS

Individuals may receive a state tax credit for a contribution of \$5,000 or more (lump sum or aggregate in one year) to a qualified North Dakota endowment fund. 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 year per couple filing jointly.

*Example: Mrs. Smith, a North Dakota resident, donates \$20,000 in cash to an endowment fund at the Sheyenne Valley Community Foundation. She received an \$8,000 tax credit (40%) on her North Dakota return. If she is in the 28% federal bracket, her federal savings are \$3,360 (28% of \$12,000). The "cost" of her \$20,000 gift is offset by \$11,360 in tax savings.*

## FOR BUSINESSES

Businesses (C corporations, S corporations, estates, limited liability companies, trusts, and financial institutions) that pay North Dakota income tax may take a 40% credit up to a total of \$10,000 for gifts to the qualified endowment fund of a qualified North Dakota charity.

*The credit may be carried forward for 3 additional tax years if it cannot all be used in one year.*



## YOUR GIFT BECOMES A LEGACY

*You know philanthropy is important, and you know it could help you save on your taxes. But the 40% tax credit really changes things. It means you can make more of a difference- one that lasts forever.*

With the North Dakota Charitable Income Tax Credit, you can claim a credit of 40% when making a charitable contribution in the form of an endowment gift or planned gift to a qualified North Dakota nonprofit organization or qualified endowment fund like those held at the Sheyenne Valley Community Foundation. This is on top of the savings you can receive on your federal return by itemizing your qualifying charitable donations.

By taking advantage of both the state tax credit and federal tax deductions, you can significantly lower the net cost of your contribution and triple its impact.

As you plan your giving this year, consider how the 40% tax credit can multiply the impact of your gift.

## GENERAL TAX BENEFITS

### 24% MARGINAL TAX RATE ON INDIVIDUAL RETURN

Gift Amount	\$5,000	\$25,000	\$50,000
Federal Estimated Tax Savings*	(720)	(3,600)	(7,200)
ND Income Tax Credit**	(2,000)	(10,000)	(20,000)
<b>Net Cost of Contribution</b>	<b>\$2,280</b>	<b>\$11,400</b>	<b>\$22,800</b>

\*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 4-year period to use up the credit. (Current year, plus three years carry forward.)

On June 11, 2019, the IRS announced that final regulations had been issued regarding the impact the receipt of state and local tax credits will have on charitable contributions (Rule 84 FR 27513). These regulations also include safe harbor provisions, which may provide a benefit to taxpayers in certain circumstances (IRS Notice 2019-12)