

# Montana Endowment Tax Credit

## A tax-wise way to give!



BOYS & GIRLS CLUBS  
OF YELLOWSTONE COUNTY

Endowment Foundation

The Montana Endowment Tax Credit allows donors to pay less in Montana state income taxes when they give a qualifying planned gift to a qualified Montana Charitable Endowment.

Individuals	Corporations
Planned Gifts to a Permanent Irrevocable Endowment	Gift to a Permanent Irrevocable Endowment
40% Credit of the Charitable Value of the Gift	20% Credit of the Gift
Maximum Credit \$10,000 per individual	Maximum Credit of \$10,000

### Sample Illustration-

*Deferred gift annuity that would qualify for the Montana Tax Credit*

#### Summary of Benefits

#### ASSUMPTIONS:

Annuitants

[5/18/1968] 51

[9/28/1969] 50

Date of Gift

12/23/2019

**Ages at Date of First Payment**

*Note: Annuity payments are deferred to full life expectancy to maximize tax savings.*

**[12/31/2054] 86 85**

Cash Donated

\$10,000.00

Payout Rate

5%

Payment Schedule

annual

#### BENEFITS:

#### Charitable Deduction

**\$9,504.30**

Montana Tax Credit

\$3,801.72

(40% of gift/not to exceed \$10,000 per donor per year)

Estimated Federal Contribution Deduction

\$5,702.58

(\$9,504.30 - \$3,801.72 = \$5,702.58)

Federal Tax Deduction based on 35% tax bracket

\$1,995.90

(\$5,702.58 x 35% = \$1,995.90)

**Total Estimated Tax Benefit:**

**\$5,797.62**

**Estimated out-of-pocket cost of gift: \$9,504.30 - \$5,797.62 = \$3,706.68**

Tax savings vary somewhat due to a donor's age and tax bracket, but generally a gift that is structured for the 40% Montana Endowment Tax Credit and utilizes federal charitable deductions will only cost out-of-pocket about 40-45% of the total gift value.

**Annuity**

*Note: You are allowed to relinquish your future payments five years after this gift annuity is established.*

**\$500.00**

Donors, whether individual or corporate, who wish to use the tax credit to build charitable endowments and reduce their tax bills with this tax credit will want to discuss its potential benefits with their financial advisors.

For more information or a custom illustration, contact:

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