

Montana Endowment Tax Credit

In 1997 the Montana Endowment Tax Credit was first proposed and passed into legislation, since then it has been renewed continuously every six years. The Montana Endowment Tax Credit is valuable for everyone involved because it incentivizes charitable giving and allows the donor to benefit while also enabling the charity to utilize the endowed funds for years to come for their meaningful cause.

This credit is available to individuals who pay income tax in Montana who make a qualified planned gift to a permanent endowment to benefit a tax-exempt charitable 501(c)(3) nonprofit organization. Businesses qualify by making a cash gift to a qualified endowment to benefit a tax-exempt charitable 501(c)(3) nonprofit organization.

The credit is 40% of the planned gift's federal charitable deduction value, up to a maximum of \$15,000 per individual or \$30,000 per couple. For businesses, the credit is calculated at 20% of the value of the gift, up to a maximum of \$15,000.

FREQUENTLY ASKED QUESTIONS

What is the maximum tax credit?

The credit is 40% of the planned gift's federal charitable deduction value, up to a maximum of \$15,000 per individual or \$30,000 per couple. For businesses, the credit is calculated at 20% of the value of the gift, up to a maximum of \$15,000.

Am I eligible?

Any individual or business that pays income taxes to the State of Montana.

What is the difference between a tax credit and a deduction?

Tax deductions lower your taxable income. Tax credits provide a reduction for your state income tax liability. This means that a \$15,000 tax credit saves you \$15,000 in taxes.

What else do I need to know?

- The credit is only available in the year you make your planned gift. If you are unable to use the full credit in that year, it cannot be carried forward or back.
- The credit is non-refundable, which means that it cannot reduce your income tax liability to less than zero.
- You can take advantage of the Montana Endowment Tax Credit each year you make a qualified gift.

How can I learn more?

For more information or if you would like a personalized gift illustration to view the benefits of the Montana Endowment Tax Credit, contact Karrie Owen, Vice President, Donor Advancement at 406-294-4511 or Kowen@bgcyellowstone.org