



North Dakota Tax Credit for Charitable Giving

There are considerable advantages to donating to a qualified North Dakota endowment fund. All of NDCF’s endowment funds are managed as ‘qualified North Dakota endowment funds’.

State Tax Credit for Endowment Gifts

Businesses (C corporations, S corporations, estates, limited liability companies, trusts, and financial institutions) that pay ND 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.

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

In all of the above, the credit may be carried forward for 3 additional tax years if it cannot all be used in one year.

The table below shows the actual cost of a gift to a ND qualified endowment fund for donors in the 33% tax bracket:

Gift Amount	\$5,000	\$10,000	\$25,000	\$50,000
Federal Tax Savings	(\$1,600)	(\$3,200)	(\$8,000)	(\$16,000)
ND State Income Tax Credit	(\$2,000)	(\$4,000)	(\$10,000)	(\$20,000)
Net Cost of Gift	\$1,400	\$2,800	\$7,000	\$14,000

The organization’s endowment fund at NDCF would receive the full gift amount, but the donor would have a much lower net cost of the gift. This is important information to share with potential donors, who may find the tax credit appealing.

Donation of Appreciated Assets

By donating assets that have increased in value over a period longer than a year, donors may generate even greater tax savings. If a donor gives appreciated assets instead of selling them, they avoid paying capital gains taxes and receive the full current market value of the asset when calculating the tax credit and federal deduction.

NDCF is capable and experienced in accepting a variety of gifts for our various component funds. If you have a donor interested in giving appreciated assets, real estate, agricultural produce, equipment or other items, contact NDCF for more information.

NDCF Bismarck Office:
Kevin or Kara: 701-222-8349

NDCF Eastern ND Office:
Amy: 701-741-3193

NDCF Western ND Office:
John: 701-590-4614

Nothing in this document is intended to provide legal or tax advice. Please consult your professional tax advisor for specific information for your situation.