

**KEY ELEMENTS OF THE TAX
CREDIT PROGRAM**

- Creative tax relief for businesses.
- Saves businesses tax dollars. Maryland tax credits equal 50% of the contribution.
- Tax credits are over and above standard federal and state charitable deductions.
- Businesses can bank credits up to 5 years.
- Can help businesses meet the Community Reinvestment Act (CRA) requirements.

For more information contact:

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HEADQUARTERS

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711 IN MARYLAND (TTY/VOICE)
1.800.735.2258 FROM ANYWHERE (TTY/VOICE)
WWW.ABILITIESNETWORK.ORG

[Abilities Network] is an organization serving people of all abilities through the following divisions:

- *PROJECT ACT*
- *HEALTHY FAMILIES*
- *SUPPORT SERVICES*
- *COMMUNITY & EMPLOYMENT PARTNERS*
- *EPILEPSY SERVICES*
- *AUTISM SERVICES*

[Abilities Network] provides services to all individuals requesting them without regard to race, color, religious/political affiliation, national origin, gender, age, marital status, disability or sexual orientation.

***Community
Investment
Tax Credit Program***



***State Tax Credits for Maryland's
Community-Minded Businesses***

HEALTHY FAMILIES BALTIMORE COUNTY

Healthy Families, a program of Abilities Network, is part of a national effort (Healthy Families America) to support new and expectant parents to help their children get off to a healthy start.

Healthy Families carries out its mission through home visitations. Family Support Workers visit with families individually to teach skills and provide support. The Healthy Families program helps to lower the incidences of child abuse and neglect while concurrently building stable, healthy families. Participation in the program is strictly voluntary.

UNIQUE OPPORTUNITY



Healthy Families provides your business with an opportunity to support families. Your participation can help parents adopt practices that will lead to safer homes, healthy babies and children as well as more stable communities. Your support today can change the future.

COMMUNITY INVESTMENT TAX CREDIT PROGRAM

The Community Investment Tax Credit (CITC) program promotes partnerships between businesses and nonprofit organizations by allocating \$1 million in Maryland tax credits to support projects serving communities in designated revitalization areas.

The Maryland Department of Housing and Community Development has awarded Healthy Families Baltimore County with tax credits to sell to any business operating within Maryland in exchange for contributions of cash or goods to support the program. Maryland businesses may claim a state tax credit equal to 50% of their contributions. This credit is in addition to deductions for charitable contributions which are claimed on federal and state tax returns.

WHAT BUSINESSES ARE ELIGIBLE?

Any entity conducting business or operating a trade in Maryland is eligible. Legislation in 1998 expanded eligibility to include S corporations, partnerships, sole proprietorships and limited liability corporations, in addition to those previously eligible. Which included corporations, public utility companies, insurance companies and financial institutions.

WHAT CONTRIBUTIONS ARE ELIGIBLE?

Businesses may claim a maximum of \$125,000 in tax credits per year, representing \$250,000 in contributions. Contributions must be cash or goods of at least \$500 in value. Contributions of services and real estate are not eligible for tax credits. Used goods contributions must be certified by an independent and unrelated third party. The value of contributions of new goods is equal to the certifiable cost of the goods to the tax credit contributor. Used goods are valued according to IRS regulations.



THE BOTTOM LINE

\$1,000 Donation	Business A	Business B
State & Federal Tax Rate	15% FeD <u>+7% State</u> 22% tax	33% Fed <u>+7% State</u> 40% tax
Standard Deduction	\$220.00	\$400.00
CITC 50% of contribution	\$500.00	\$500.00
Total Deductions	\$720.00	\$900.00
Total Expense	\$280.00	\$100.00

\$10,000 Donation	Business A	Business B
State & Federal Tax Rate	15% FED <u>+7% State</u> 22% tax	33% Fed <u>+7% State</u> 40% tax
Standard Deduction	\$2,200.00	\$4,000.00
CITC 50% of contribution	\$5,000.00	\$5,000.00
Total Deductions	\$7,200.00	\$9,000.00
Total Expense	\$2,800.00	\$1,000.00