

## Year End Tax Planning that Works!

The Maryland Community Investment Tax Credit program:

- **Can reduce state taxes via a tax credit.**
- **Turns your “tax” money into a targeted community investment.**
- **Demonstrates your commitment to the community with creates positive community impacts and increased regional economic development.**
- **Increases your visibility within the community. (More details see below.)**

Business entities that donate directly to Maryland Capital Enterprises (MCE) will receive tax credits equal to 50% of the value of the donation. As MCE is a nonprofit charitable organization as determined by the IRS, the whole amount of the donation may be claimed for state and federal tax deductions as a charitable contribution.

### **How it Works**

The Tax Credits are available to businesses only, not individuals, and are granted for contributions of \$500 or more. For every \$2.00 you contribute to MCE, you are granted \$1.00 in State of Maryland Tax Credits.

### **Bottom Line**

The following example represents a large size corporation with taxable income exceeding \$335,000 up to \$10 million.

<b>Total Community Investment</b>	<b>\$1,000.00 (100% donation to MCE)</b>
Deduction – Federal (34%)	\$ 334.00
Deduction – State (7%)	\$ 76.00
Tax Credit on State Return	\$ 500.00 (50% of donation)
<b>Total Cost out of Pocket</b>	<b>\$90.00</b>

**Total Tax Benefit for Participating Businesses = \$910.00**

#### **Tax Credit Carry Over**

Additionally, unused Tax Credits can be carried forward for up to five years.

#### **Contribution Limitations**

Minimum amount of donation - \$500 (Tax Credit: \$250)

Maximum amount of donation - \$250,000 (Tax Credit: \$125,000)

Tax Credits cannot be used retroactively against taxes owed for years previous to the contribution year.

### **Simple & Timely Processing**

That is right. The paperwork is simple and the contributions will allow MCE to increase the economic development of our communities.

### **Increase Community Visibility**

By participating in the tax credit program, your business may receive recognition on our online and print publications, including our website, newsletter and annual report.

**Maryland Capital Enterprises**  
PO BOX 1844    Salisbury, MD 21802    (410) 546-1900    [www.marylandcapital.org](http://www.marylandcapital.org)