

North Dakota Charitable Tax Credit

Contributions to the DSG Education Connection Fund (a component fund of the FM Area Foundation) can provide significant tax advantages to North Dakota businesses.

The North Dakota Legislature passed landmark charitable legislation in 2007 that provides businesses an income tax credit for gifts to qualified charitable endowments like the DSG Education Connection Fund. Briefly, here are the details:

- The amount of the credit is 40% of the value of the gift, with an annual cap of \$10,000.
- Any unused portion of the credit can be carried forward for three years.
- Virtually all businesses qualify, including corporations, partnerships, S corporations or LLCs. Where applicable the credit is passed through to the individual partners, shareholders or members.

The goal of the DSG Education Connection Fund is to provide critical scholarships for students entering the trades. This goal alone provides significant incentives for those who have a stake in making sure today's youth pursue these careers. The income tax credit is an extra incentive because it significantly reduces the cost of making a donation.

A business making a \$25,000 donation gets a North Dakota income tax credit—a direct reduction in its tax bill—of \$10,000. In addition, the business will receive a \$25,000 charitable tax deduction on its federal tax bill.

The Fargo-Moorhead Area Foundation is North Dakota's oldest and largest community foundation. DSG is pleased to collaborate with the Foundation in offering this philanthropic opportunity to North Dakota businesses and this scholarship opportunity to students.

Additional information can be obtained by contacting the Foundation.

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