

TAX ADVANTAGES

Sample Chart 1: ABC Corporation

(Assume a Federal Marginal Income Tax Rate of 34%,
a \$10,000 gift, and a projected SBT Liability if \$100,000.)

Impact of gift on Michigan state taxes: *	\$10,000 gift x .50 state tax credit = \$5,000	Savings from Michigan state taxes = \$5,000
Impact of gift on federal taxes:	\$10,000 gift - \$5,000 SBT reduction x .34 marginal tax rate = \$1,700	Savings from federal taxes = \$1,700
Total tax savings:	\$5,000 + \$1,700 = \$6,700	Total tax savings = \$6,700
Actual cost of gift:	\$10,000 - \$6,700 savings = \$3,300	Actual cost of gift = \$3,300
The actual cost of this \$10,000 gift is only \$3,300!		

* Tax credit is equal to the smallest of 50% of the amount contributed, 5% of net SBT tax liability, or \$5,000.

Sample Chart 2: Married Couple (Itemizers)

(Assume a Federal Marginal Income Tax Rate of 36%, and a \$400 gift.)

Impact of gift on Michigan state taxes: **	\$400 gift x .50 state tax credit = \$200	Savings from Michigan state taxes = \$200
Impact of gift on federal taxes:	\$400 gift x .36 marginal tax rate = \$144	Savings from federal taxes = \$144
Total tax savings:	\$200 + \$144 = \$344	Total tax savings = \$344
Actual cost of gift:	\$400 gift - \$344 savings = \$56	Actual cost of gift = \$56
The actual cost of this \$400 gift to a community foundation endowment is only \$56!		

** State tax liability must be \$100 for single, \$200 for married persons.

Sample Chart 3: Single Person (Non-Itemizer)

(Assume a \$200 gift; Federal Marginal Income Tax Rate would not apply.)

Impact of gift on Michigan state taxes: **	\$200 gift x .50 state tax credit = \$100	Savings from Michigan state taxes = \$100
Impact of gift on federal taxes:	Not applicable, as this individual does not itemize.	Savings from federal taxes = \$0
Total tax savings:	\$100 + \$0 = \$100	Total tax savings = \$100
Actual cost of gift:	\$200 gift - \$100 savings = \$100	Actual cost of gift = \$100
Even in this example, a \$200 gift would only cost the donor \$100!		

** State tax liability must be \$100 for single, \$200 for married persons.

Donations are tax deductible to the fullest extent of the law.
Donors should consult their advisors to assure they receive the best deduction that applies to their individual needs.

For good. For ever.

Smile a little when you sign your Michigan Tax Return!

Uniquely, Michigan allows direct credit on your state income tax for gifts to any of the **Marshall Community Foundation's** endowment funds.

The law permits you to reduce Michigan Income Tax or Single Business Tax liability by a credit of up to 50 percent of the amount contributed.

The **Marshall Community Foundation** is a vehicle through which individuals, businesses, foundations, and organizations are able to make gifts and bequests to benefit Marshall and the surrounding area. These gifts are used to establish or add to existing funds from which grants or scholarships are made. These grants address a broad spectrum of needs in our community.

The **Community Foundation Tax Credit:**
Representative samples of the impact of
the tax credit are included within.

The Capacity to Lead

The Marshall Community Foundation promotes and enables communitywide philanthropic giving to enrich and improve the lives of residents in Marshall and the surrounding area.

We accomplish this vision by: 1) attracting and holding permanent endowment funds for a wide range of donors, 2) identifying and addressing community needs through a strong grant-making program, and 3) providing leadership as a collaborator/convenor on important community issues and projects.



Marshall

community foundation™

For more information contact the
Marshall Community Foundation

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Marshall, Michigan 49068
or call: 616.781.2273

Website: www.marshallcf.org
E-mail: marshallcomfdn@aol.com

Michigan Community Foundation Tax Credit...

...and Its Impact on Your Gift.
While the main focus for gifts to the Marshall Community Foundation is to serve the people of our community, the State of Michigan Tax Credit recognizes the benefits of such gifts by allowing a reduction in taxes for donors.



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