

# New Tax Incentives Offered This Year

The **CARES Act** (Coronavirus Aid, Relief, and Economic Security) expands charitable giving incentives and allows taxpayers who take the standard deduction (taxpayers **who do not itemize** their deductions) **to make up to \$300** of charitable contributions to qualified charities this year (**\$600 for those filing jointly**). For those who do itemize their deductions, the new law allows for cash contributions to qualified charities such as Mackintosh Academy to be deducted up to 100% of your adjusted gross income for the 2020 calendar year.

## Maximize the Impact of Your Gift

Leverage your gift of \$300 or more with a 50% Colorado state income tax credit. Half of your donation will be offset by a dollar-for-dollar credit against your Colorado income taxes.

Gift Amount	\$300	\$500	\$1000	\$5000
CO Child Care Contribution Credit	(\$150)	(\$250)	(\$500)	(\$2500)
CO State Income Tax Deduction	(\$13.88)	(\$23.15)	(\$46.30)	(\$231.50)
<b>Total Out-of-Pocket Cost of Gift*</b>	<b>\$136.88</b>	<b>\$226.85</b>	<b>\$453.70</b>	<b>\$2268.50</b>

For illustrative purposes only. Figures based on Colorado's state income tax rate of 4.63%.

\*The total out-of-pocket cost of your gift could be even lower if you choose to itemize your Federal income taxes. Always consult a tax professional regarding your individual circumstances.

## Q & A on the Colorado Child Care Contribution Credit

### Q: What is the Colorado Child Care Contribution Credit?

**A:** The Colorado Child Care Contribution Credit (CCCC) provides a valuable tax credit against a taxpayer's Colorado state income tax. The credit equals 50 percent of the amount of a contribution made to a qualifying Colorado charitable organization that promotes child care. Mackintosh Academy's Preschool (PreK program) qualifies us as a child care organization so we are able to share this tax credit with our donors who make a gift of \$300 or more and designate it for the CCCC. It's a great way to double the impact of your gift! You can make a \$300 gift and essentially get back \$150 in a state tax credit. Make a \$1,000 gift and get back \$500. Make a \$5,000 gift and get back \$2,500.

You may also be eligible for further federal and state deductions depending on whether you itemize. Please consult with your tax advisor to confirm how this will affect you.

**Q: If I make my One Campaign gift through Colorado Gives Day can I still receive the tax credit?**

**A:** Yes, gifts of \$300 or more made to Mack through the Colorado Gives website are eligible for the credit. There's actually a box and drop down menu at the bottom of the online giving form on the CO Gives website where you can select to "Consider this donation for Child Care Tax Credit."

**Q: What if I decide to have my One Campaign gift taken out monthly through Colorado Gives Day, can I still receive the tax credit?**

**A:** Yes, if you decide to give that gift monthly you can still qualify for the credit but the credit you will receive will be for the payments on your gift that you made per calendar year. For example, if you pledge \$300, the payments you make in November and December will go towards your credit amount in 2020 tax year and then the remaining payments will go towards the 2021 tax year. As long as your original pledge/gift is \$300 or more you will receive the credits.

**Q: How do I indicate that I would like my gift to be eligible for the Colorado Child Care Contribution Credit?**

**A:** Simply write CCCCC on your check. If you make a gift on Mack's online giving page, please type CCCCC into the notes or comments box on the online giving form. See the above answers regarding making your Colorado Gives Day gift.

**Q: What paperwork do I need to claim the credit on my taxes?**

**A:** It's very simple! To claim the credit on your taxes you will just need to submit a copy of the Form DR1317 at the time you submit your taxes ( you can do this with a hard copy or scanned copy via email or digital upload). We will be sending out the Form DR1317 (Colorado Child Care Contribution Credit tax form) to donors, who wish to receive the credit, in early January so that it is handy for 2020 tax preparation.

We hope this has answered any questions you might have about the Colorado Child Care Contribution Credit. Our Director of Development, Tami Vinson, would be more than happy to discuss this further with you. She can be reached at **tami@mackintoshacademy.com** or **(720) 254-9469**.