



PANHANDLE ALLIANCE *for* EDUCATION

Big Tax Benefit for Donors

The state of Idaho provides an income tax credit to those who give to the Panhandle Alliance for Education. Take advantage of this credit as a supporter of our fundraising efforts.

The law allows Idaho taxpayers to claim a credit worth 50% of the gift—up to \$1,000 for those married filing jointly or \$500 for single filers. The Idaho Credit is available regardless of whether you itemize your deductions or take the standard deduction.

EXAMPLE: Joe and Nancy are in the 25% federal tax bracket and 7.8% Idaho income tax bracket. They give \$2,000 to PAFE. In addition to the federal and state charitable income tax deductions; they will receive a \$1,000 tax credit from the state of Idaho.

MARRIED FILING JOINTLY

Gift to PAFE	\$2,000
Federal tax deduction (if itemizing)	\$500
State tax deduction (if itemizing)	\$156
State tax credit	\$1,000
Total cost of gift	\$344!

SINGLE FILER

Gift to PAFE	\$1,000
Federal tax deduction (if itemizing)	\$250
State tax deduction (if itemizing)	\$78
State tax credit	\$500
Total cost of gift	\$172

That's right, a \$2,000 gift to PAFE only cost Joe and Nancy \$344!

This is only an illustration. Your own tax rate will affect the after tax cost of your donation (higher income, higher tax bracket people will receive a greater benefit). See your tax advisor to determine how this donation will affect your specific situation. The corporate credit was also increased substantially—check with your tax advisor to see if that might apply to your business.