

Leveraging a \$5,000 Gift to a Permanently-Restricted Endowment by utilizing the Montana Endowment Tax Credit

*Example for donors, ages 65 and 64, in the
24% Federal Income Tax bracket and 6.9% Montana Income Tax bracket*

Given Outright

(not through a Planned Gift)

\$ 5,000 charitable contribution =

\$ 1,200 Federal deduction
+ \$ 345 Montana deduction
\$ 1,545 Total tax benefit

Out of pocket “cost” of
making a \$5,000 gift
is **\$3,455.**

Given through a Planned Gift

(in this example, a Deferred Charitable Gift Annuity)*

\$4,593 charitable contribution =

\$ 1,102 Federal deduction
+ \$1,837 Montana CREDIT
\$2,939 Total tax benefit

Out of pocket “cost” of
making a \$5,000 gift
is just **\$2,061!** ←

* A Deferred Charitable Gift Annuity is one of several types of planned gift instruments that qualify for the Montana Endowment Tax Credit when given to a permanently-restricted endowment fund of a qualified Montana charitable organization. Charitable Gift Annuities are not life insurance products.