



MONTANA
COMMUNITY
FOUNDATION

The Montana Endowment Tax Credit

A way to make the most of your money for you and Montana.

What if there was a way to get up to a \$15,000 credit on your taxes and benefit Montana? And what if we told you Montana is one of just a few states to offer a credit like this?

What is the Montana Endowment Tax Credit (METC)?

The credit was established in 1997 to encourage individuals, businesses, and organizations to make lasting investments in their communities. This opportunity offers you a credit of 40 percent of a qualifying planned gift's federal charitable deduction, up to a maximum of \$15,000, per year, per individual, or \$30,000 per year for couples filing jointly. It also allows a credit of 20 percent of a gift's federal charitable deduction for a direct gift by a qualified business up to a maximum of \$15,000 per year.

What is a planned gift?

Planned gifts are a way of giving that allows donors to maintain access to income during their lifetime, provide estate and tax planning tools, and build permanent wealth for Montana's charities, nonprofit organizations and local community foundations. Things like gift annuities, charitable trusts and some estate gifts fall into this category.

What is the difference between a charitable deduction and a credit?

Charitable deductions can be itemized to help lower your taxable income, and thereby the amount of tax you owe. However, they do not provide a dollar-for-dollar tax savings. The METC, on the other hand, provides a direct credit toward your Montana taxes. Every dollar of METC you qualify for is \$1 less that you will owe the state. While a gift for which you are claiming the METC can only be used as an itemized charitable deduction on your federal tax return, not state, the dollar-for-dollar tax credit generally provides a much greater benefit on your state tax return than itemizing the gift would yield. Additionally, should you choose not to itemize the gift on your federal tax return, you are still eligible to claim the METC on your state taxes.

Want to learn more? Contact us today.

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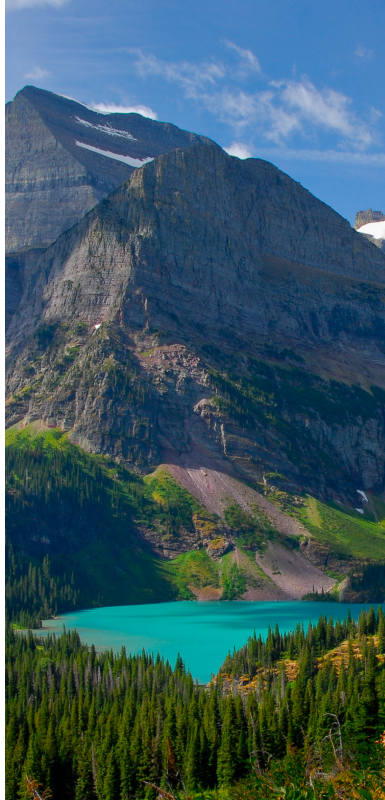
(The Qualified Endowment Credit was made permanent in 2023 with Senate Bill 506. Along with permanency, the tax credit increased in 2024 to \$15,000 per taxpayer or \$30,000 per couple filing jointly when a qualifying gift is made. For businesses making a qualifying gift, the tax credit increased to \$15,000.)

*The information in this publication is not intended as legal or tax advice. For legal or tax advice, please consult your attorney and/or tax professional.

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My clients continue to be excited and very pleased to be able to permanently support the Montana charities of their choosing through planned gift that provide large income tax savings up front and a potential income stream at retirement.”

— Ron Yates, CPA

THE MONTANA
DENTAL HEALTH
FOUNDATION

Our Doug and Sue Hadnot Endowment is a qualifying endowment. For details: Webb@MontanaDental.org (406) 443-2061