

ENDOW KENTUCKY TAX CREDIT PROGRAM

\$1 Million Tax Credit Pool Available July 1!

The Endow Kentucky Tax Credit program allows eligible donors to receive a charitable deduction and a credit against Kentucky state taxes by making a contribution to an endowment fund at Blue Grass Community Foundation. On July 1, a pool of \$1 million in tax credits becomes available to taxpayers, individual and corporate, through the Endow Kentucky Tax Credit Program. Eligible donors can receive a state of Kentucky income tax credit of up to 20% of the value of their gift (not to exceed \$10,000 in credit) per taxable year.

IMPACT OF THE TAX CREDIT

To determine the personal impact of receiving your tax credit, you should consult your financial advisor or accountant. In addition to the federal charitable tax deduction value of the gift, the tax credit may be taken against individual income tax, corporate income tax and the limited liability entity tax. Any tax credit that cannot be used by the taxpayer during a particular taxable year may be carried forward for use in subsequent taxable year(s) for a period not to exceed five years. This is a tax credit, not a deduction. A tax credit lowers your tax bill dollar-for-dollar regardless of your tax bracket.

WHAT GIFTS QUALIFY FOR THE ENDOW KENTUCKY TAX CREDIT?

Gifts can be cash or appreciated assets. Below is a list of options that qualify as gifts for Endow Kentucky Tax Credit at Blue Grass Community Foundation:

- Establish or add to an endowed charitable fund (community funds or donor advised funds)
- Establish or add to an endowed scholarship fund
- Establish or add to a designated endowment fund for a Kentucky nonprofit
- Donate to one of the Community Foundation's existing endowment funds

The minimum to open an endowed charitable fund is \$10,000 for an individual and \$10,000 for a nonprofit organization. The minimum to establish an endowed scholarship fund is \$250,000.

HOW TO APPLY

Applying for your Endow Kentucky Tax Credit is simple. Please use the following steps to ensure you receive your Endow Kentucky Tax Credit.

1. File an application for preliminary authorization with the Department of Revenue.
2. After receiving the approved preliminary authorization form please mail, fax (859.243.0770) or email (maddie@bgcf.org) a copy to Blue Grass Community Foundation and keep a copy for your records.
3. Make a contribution to an endowment fund at Blue Grass Community Foundation within 30 days of receiving the approval notice from the Department of Revenue.
4. Within 10 days of making the gift, Blue Grass Community Foundation will send proof of the gift to the Department of Revenue by filing the Notice of Endow Kentucky Tax Credit and Certification form. The Department of Revenue will then review the provided proof and issue a letter of final approval.

We are happy to assist with your Endow Kentucky Tax Credit application! Contact us today:

Lisa Adkins
President/CEO
ladkins@bgcf.org

Scott Fitzpatrick
VP/Advancement
sfitzpatrick@bgcf.org

Halee Cunningham
General Counsel/Director of Planned Giving
halee@bgcf.org

Don't miss out on this unique opportunity to spur development and growth in Kentucky!

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Frequently Asked Questions

WHEN DO I NEED TO SUBMIT MY APPLICATION?

The Kentucky Department of Revenue will not accept applications until July 1. You may send your completed application to us before July 1, and we will submit it on your behalf on July 1.

HOW DO I SUBMIT MY APPLICATION?

Applications can be submitted via email, fax or hand-delivery. Do not mail your application to the Department of Revenue. You can either send your application to us on or before July 1, and we will ensure it is properly submitted to the Kentucky Department of Revenue, or you can submit your application directly to the Department of Revenue beginning July 1.

WHEN WILL I KNOW IF MY APPLICATION WAS APPROVED?

The Department of Revenue will send an approval letter via secured email or certified mail to the address you provide on the application within three weeks from the time you apply (after July 1).

IS THERE A MINIMUM CONTRIBUTION TO TAKE ADVANTAGE OF THE TAX CREDIT?

No, there is no minimum gift size to contribute to an endowment fund and qualify for a tax credit.

IS THERE A MAXIMUM CONTRIBUTION THAT I CAN GIVE?

Yes, the maximum gift allowed under the Endow Kentucky tax credit program is \$50,000.

DO I SEND MY GIFT IN WITH MY APPLICATION?

No, do not send in your gift until you receive approval from the Department of Revenue.

WHEN DO I NEED TO MAKE MY ENDOW KENTUCKY GIFT?

You must make your gift within 30 days of the date you receive your approval email or letter.

WHERE DO I SEND MY GIFT?

Send your check to BGCF. Make checks payable to Blue Grass Community Foundation, and indicate the endowment fund to receive the gift in the check memo line.

CAN I CONTRIBUTE OTHER ASSETS?

Yes, you can contribute using publicly traded securities, life insurance policies, IRA qualified charitable distributions and real estate. Contact us to discuss a donation of complex assets.

CAN I GIVE TO MORE THAN ONE ENDOWMENT FUND?

Yes, however, you may only apply for the tax credit for a maximum gift of \$50,000. Contact us if you would like to allocate your contribution toward multiple endowment funds.

WHICH ENDOWMENT FUNDS ARE ELIGIBLE TO RECEIVE TAX CREDIT GIFTS?

A list of endowment funds eligible to receive Endow Kentucky gifts can be found at www.bgcf.org/endowKY. Contact us if you would like to open your own endowment fund.

AM I GUARANTEED TO RECEIVE A 20% CREDIT?

All applications received between July 1 and July 7 will receive a prorated portion of the credit pool, with a maximum credit of 20%. Any remaining credits will be allocated on a first-come, first-served basis, with a maximum credit of 20%.