

The Festive Affair



www.thefestiveaffair.org

TAX CREDITS MAY REIMBURSE YOU FOR 75% OF YOUR DONATION!

Follow this example to determine the actual cost of your donation after Federal and State Tax Credits.

1) Determine your filing status. (Married, Single, or Business)

Married - Filing Jointly

2) Do you itemize deductions?

If you do not itemize deductions, your charitable contribution can not be deducted for federal income tax purposes. However, you will still benefit from the 50% Michigan tax credit.

Yes

3) Enter the amount or value of your donation.

Enter the amount of your charitable gift. The Michigan Tax Credit provides a 50% maximum tax benefit based on a gift.

For example, married donors, filing jointly, can receive a 50% tax credit of up to \$200 on a gift of \$400 to a permanent endowment fund. A single person can receive a \$100 tax credit on a gift of \$200. Michigan businesses have the potential to receive up to a \$5,000 tax credit (but not to exceed 5% of the Total Single Business Tax) on a gift of \$10,000.

\$400

4) Enter your marginal federal tax rate.

Find your marginal federal tax rate on a Federal Tax Table.

25.00%

5) Estimate your annual Single Business Tax liability

(Only if your filing status in line 1 is "Business")

\$

This example is provided for illustration purposes only. Your personal tax situation may differ. Please consult your tax advisor for further analysis.

Your Tax Benefits and Charitable Gift Analysis:

| | |
|-----------------------------|----------------|
| Michigan tax credit: | \$200* |
| + Federal tax benefit: | \$100 |
| Total tax savings: | \$300** |
| Actual cost of gift: | \$100 |

Total Gift: \$400



* 50% of line 3 up to maximum credit.

** Please note that the savings in Michigan taxes may reduce the amount of the State income tax deduction on the Federal return the following year.

Donations can be made online at www.thefestiveaffair.org or contact Christine Hill at 734-996-0100 or email chill@bragannarbor.com to donate an item to our annual Salvation Army Festive Affair Auction.