

CITC Donations and Your 50% Credit in Three Easy Steps

1. The Donor (you) makes a contribution of \$1,000 or more to Worcester East Side CDC (WESCDC). When you make the contribution, you must indicate that it is for the Community Investment Tax Credit (CITC) Program. Contributions should be made by check. Once you have made your contribution, WESCDC will send you a Thank-You letter together with a link and instructions for filling out the online CITC Form.
2. Following the instructions, complete the form and save the online form (This take less than 10 minutes).

We will then complete our section of the form and submit it to the Department of Housing and Urban Development (DHCD).

Within 4-6 weeks DHCD send you a **CITC Certificate**.

3. When filing your Massachusetts State Taxes, you provide your **CITC Certificate** on CMS, Refundable Credits. **Your 50% tax credit will be subtracted from you tax liability or added to your refund.**

Don't forget, you may also include your contribution on your Federal Tax Return under itemized charitable donations (now your return on investment is almost 67%. (see chart below for tax bracket information)

Frequently asked Questions

Do I need to be a Massachusetts resident or taxpayer to participate?

No, as an out of State resident of a Non-Profit, you will receive a check for the amount of you tax credit

Situations vary. Consult a professional tax advisor.

	Individual, Itemized	Individual, AMT ¹	Corporation, Business	Nonprofit
	35% tax bracket	28% tax bracket	35% tax bracket	
Donation	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
CITC	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (5,000)
Federal Charitable Tax Deduction - ²	\$ (3,500)	\$ (2,800)	\$ (3,500)	N/A
1st Year Tax Savings	\$ 8,500	\$ 7,800	\$ 8,500	N/A
1st Year Out-of-Pocket Cost	\$ 1,500	\$ 2,200	\$ 1,500	\$ 5,000
Possible 2nd Year "Add Back" - ³	\$ 1,750	N/A	\$ 1,750	N/A
Possible Final Out-of-Pocket Cost - ⁴	\$ 3,250	\$ 2,200	\$ 3,250	\$ 5,000

1- Alternative Minimum Tax

2 - Donations through the CITC program qualify for the Federal Charitable Tax Deduction on the **TOTAL** donation.

3 - A donor's federal income tax may be impacted in the subsequent year depending on their individual tax situation. Because state tax payments can be tax deductible, a reduction in state taxes may reduce your federal deduction, thereby increasing your federal taxable income by the amount of your CITC credit/refund. At most, the year 2 federal tax impact will be half the year 1 federal tax savings. In contrast, taxpayers subject to the Alternative Minimum Tax will not be impacted in this manner. **Please consult a tax advisor regarding specific situations.**