

What is the Community Investment Tax Credit (CITC) program?

The Maryland Department of Housing and Community Development awards credits to nonprofits through a competitive application process. Businesses that donate \$500 or more to those nonprofits can receive a credit of 50% of the value of their gift on their Maryland taxes. In addition, the full gift amount is also eligible for federal and state charitable gift deductions. This program can make it very economical for a business to make a gift:



CLC Staff Attorney Michelle Pierce pleads a case before the Baltimore City Liquor Board
Photo: Andy Cook

Initial cash contribution by donor	\$10,000
CITC credit award (50% of gift)	(5,000)
MD state charitable deduction	(700)*
Federal tax deduction	<u>(1,677)*</u>
Net cost to donor of contribution	\$2,623

*Tax deductions shown are for illustration only. Actual rates vary based on business structure.

The **actual cost** to the donor of the \$10,000 gift in this illustration is **26%** of the gift. Any business that has a Maryland tax liability can take advantage of this method of giving.

Community Law Center Programs with CITC Awards to Distribute:

The Community Law Center is successful in being awarded CITC credits because we have a track record of outstanding contributions to the economic revitalization of Baltimore. We currently have credits available for:

- **Real Estate Services Project – Vacant Properties Initiative**, which assists community development corporations, nonprofits and neighborhood organizations in acquiring properties that are vacant or in need of rehabilitation, so that the properties can be returned to productive use.
- **Pro Bono Project**, which recruits volunteer attorneys to represent community associations, neighborhood groups, grassroots organizations, churches, and other nonprofits across Maryland as they struggle to improve their neighborhoods through zoning, liquor board, and tax sale hearings; drug nuisance abatement and real estate cases; and the formation of new non-profits.

Advantages of the CITC program:

- You support a program that was chosen as a priority project by the State of Maryland
- You can make a charitable gift and get **74%** of it back on your taxes *
- Your net **cost is only 26%** *
- Everybody wins!

Who can use the CITC Program:

Any business or trade subject to State income tax, public service company franchise taxes or insurance premiums tax from the State of Maryland such as:

- Corporations
- Insurance and financial institutions
- S corporations and LLC's
- Partnerships, Sole proprietorships
- Practice Groups (Physicians, Legal, Dental)

Community Law Center

For more information about the CITC program, please contact:
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Or to learn more about the Community Law Center, visit our website at:
www.communitylaw.org