

Reunification Foster Care Program Kids Crossing

Fundraising

The Reunification Foster Care Program is the primary program for which Kids Crossing raises money from individuals and corporations. This is due to the increased tax benefits of giving to such a program.

The Colorado State Legislature has included child placement agencies as an eligible childcare facility or program that then allows donors to take advantage of the Child Care Contribution Credit (CCCC).

Taxpayers that make a monetary contribution to a child placement agency in Colorado may claim an income tax credit of 50 percent of the total contribution. In-kind contributions of property (non-monetary donations) do not qualify for the credit. The tax credit is only when the eligible agency or program provides care to a child twelve years of age or younger. [§39-22-121 C.R.S.]

The table below shows the benefits for a taxpayer to donate money to an eligible agency or program over an agency or program that is just a non-profit entity.

	CCCC (50% tax credit)	Donation (no tax credit)
CO State Income Tax Savings	\$46	\$46
CO State Income Tax Credit	\$500	\$0
Federal Income Tax Deduction	\$211*	\$300
Total Tax Savings	\$682	\$346
After tax cost of Giving \$1,000	\$318	\$654

**Tax savings example
for a gift of \$1,000.**

**Illustration is for a 30%
tax bracket.**

**Situations vary.
Consult your tax
advisor.**

* Federal tax deduction is lowered because of the add-back feature of reduced state tax

This Tax Credit is proving to be a very valuable fundraising tool. To learn more about the Child Care Contribution Credit you can visit the website:

<http://www.revenue.state.co.us/fyi/html/income35.html>
