

# IDAHO INCOME TAX CREDIT FOR DONATIONS TO EDUCATIONAL CHARITIES

The State of Idaho allows you to give monetary contributions to certain educational and cultural organizations (such as the University of Idaho Foundation) while reducing the amount of Idaho income tax you owe.

- This is a tax credit you can take even if you don't itemize.
- Tax credits reduce the amount of taxes owed dollar for dollar.
- You can even claim this tax credit if the contribution is made from your Donor Advised Fund or as a Qualified Charitable Distribution from your Individual Retirement Account.

You can claim the credit on your Idaho income tax return for the year you made the contributions.

- For C and S corporations, the law limits the yearly credit to the smallest of the following:
  - \$5,000.
  - 10% of total income tax or franchise tax owed for the year.
  - 50% of the amount donated.
- For all other businesses, individuals and entities (such as estates and trusts), the law limits the yearly credit to the smallest of the following:
  - \$500 per taxpayer (\$1,000 total for married individuals filing jointly).
  - 50% of total income tax (for example, the amount on Form 40, line 21, for Idaho resident individuals).
  - 50% of the amount donated.

For more information about this tax credit, please see the following resources:

- Idaho State Tax Commission website: <https://tax.idaho.gov/taxes/income-tax/individual-income/popular-credits-and-deductions/donations-to-educational-charities/>
- Idaho Code section 63-3029A
- Idaho Income Tax Administrative Rule – Section 705

***This information is for general information purposes only. Tax laws are complex and change regularly. The above information may not apply to your situation. Please talk to your tax advisor or contact the Idaho State Tax Commission for further questions on this tax credit. We work to provide current and accurate information, but some information could have technical inaccuracies or typographical errors. If there's a conflict between current tax law and this information, current tax law will govern.***