**MASSACHUSETTS COMMUNITY INVESTMENT**

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**TAX CREDIT**

**What is the Community Investment Tax Credit?**

Signed into law in 2012, the Community Investment Tax Credit (CITC) is a state tax credit program designed to enable local residents and stakeholders to invest in community development corporations (CDC) to support high-impact community and economic development initiatives in neighborhoods throughout the state.

**Individual and corporate donors who invest in the business plan of select CDCs, including WHALE, will receive a state tax credit equal to 50% of a qualified investment, defined as cash contribution of at least $1,000.** When combined with federal tax deductions, donors have the opportunity to leverage the net cost of their contribution by three-fold.

# CITC Background

Last year, State certified CDCs, including WHALE, submitted multi-year business plans detailing how they will improve their community and leverage federal and private resources for neighborhood based economic development. The Department of Housing and Community Development ranked the plans to identify those most effective in meeting local and state-wide goals for community economic development.

In December 2014, **WHALE was awarded $100,000 in state Community Investment Tax Credits** that we will use to secure up to $200,000 in private support during 2015. The Community Investment Tax Credits are awarded annually through an application process and the program is funded until 2019.

Contributions to the tax credit program will fund WHALE’s state-approved Community Investment Plan and provide flexible working capital that can be used to seed preservation projects and programs, fill funding gaps and leverage other resources.

# CITC Donor Benefits

**Individual and corporate donors who support the business plan of WHALE will receive a state tax credit equal to 50% of a qualified investment, defined as a cash contribution of at least $1,000.**

* *Donors may claim the Community Investment Tax Credit in the year the gift was made.*
* *The CITC is refundable. If the donor does not have sufficient tax liability, the Commonwealth will issue a check for the balance of the credit to the donor.*
* *Donations made through the CITC program are eligible for a federal tax deduction.*

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| **WHALE GIVING LEVEL** |  |  |  |  |
|  |  |  |   |   |   |  |
| Donation to WHALE |   | $1,000 | $2,500 | $5,000 | $10,000 |
| MA Community Investment Tax Credit | $500 | $1,250 | $2,500 | $5,000 |
| Federal Tax Deduction (35%)\* | $175 | $438 | $875 | $1,750 |
| Total Tax Savings |   | $675 | $1,688 | $3,375 | $6,750 |
| Net Donation |   | $325 | $813 | $1,625 | $3,250 |
|  |  |  | \*Illustration - 35% tax bracket. Consult your tax advisor |

**For more information please contact Diane Brodeur at (508) 997-1776 or e-mail to dbrodeur@waterfrontleague.org**