

Tax Advantages of Charitable Contributions for Michigan Residents

Tax Laws encourage giving to the Capital Area District Library

With these tax advantages, the actual cost of a gift to the Capital Area District Library. can be far less than the amount of the gift. This tax chart is intended to serve as a guide in helping you decide how much you contribute. If you do not itemize deductions, your charitable contribution cannot be deducted for federal income tax purposes. We encourage you to work with qualified tax counsel to determine the exact cost of your gift depending on your personal circumstances. Thank you for considering the Capital Area District Library. as a recipient of your support. Information is based on the Internal Revenue and Michigan Tax codes as currently written and amended for the 2009 tax year.

Joint Return for Michigan Residents*			
Annual Contribution	Federal Tax Savings (1)	State Tax** Savings (2)	Actual Cost of Contribution
\$100	\$25	\$50	\$25
\$200	\$50	\$100	\$50
\$400	\$100	\$200	\$100
\$1,000	\$250	\$200	\$550
\$2,500	\$625	\$200	\$1,675
\$5,000	\$1,250	\$200	\$3,550
\$10,000	\$2,500	\$200	\$7,300

1.) Federal Tax: Assumes that total charitable contributions do not exceed 50% of adjusted gross income, and an effective tax rate of 25%

2.) State Tax for Michigan Residents: Assumes a joint return is filed. Credit is limited to the lesser of 50% of public contributions, or \$200 (\$100 for single filers).

***These figures are provided as a guideline; always consult with your tax advisor to determine the exact cost of your gift. Figures based on Marginal Tax Rate of 25%.**

**** Applies to Michigan residents only.**

The Capital Area District Library is a governmental agency not a non-profit organization. Donations to the library may be used as a charitable donation for individuals who itemize deductions on their Federal Income Tax Return and may be used as a credit towards the Individual's Michigan Income Tax Return.

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