

ENDOW KENTUCKY TAX CREDIT

- You must apply for your credit and have approval before making your charitable gift.
- Gifts must be made to a permanent, endowed fund at a qualified community foundation.
- The tax credit is up to 20% of the charitable gift (Ex: a \$5,000 gift would provide up to a \$1,000 credit).
- Maximum credit per taxpayer is \$10,000 (\$20,000 for married filing jointly).
- The tax credit is not refundable but may be carried forward up to 5 years .
- For more information go to www.revenue.ky.gov or call the Kentucky Department of Revenue at (502) 564-8139. Our website also has helpful information: <https://www.appalachianky.org/endow-kentucky-tax-credit/>

Endow Kentucky Tax Credit

By making a gift to a new or existing permanent endowment fund at the Foundation for Appalachian Kentucky, you may qualify for a state tax credit in addition to your Federal tax deduction. This is a tax-wise way to create a lasting legacy and support Appalachian Kentucky.

Tax Credit vs. Tax Deduction

Endow Kentucky features a tax credit, which is different than a tax deduction. A tax deduction reduces your taxable income, so the value depends on your income tax bracket. A tax credit lowers your tax bill dollar for dollar, no matter your tax bracket.

Limited Opportunity

State tax credits are available to individuals and corporations on a first-come, first-served basis beginning July 1. To be eligible, you must receive prior approval through the Department of Revenue before your charitable gift is made. Keep in mind that tax credits will likely be depleted shortly after July 1, so the earlier you plan, the better. If you are considering a charitable gift that may be eligible for the tax credit, we encourage you to contact us as soon as possible. We work with donors to make the process easier and protect your eligibility along the way.

How to Apply

1. Contact the Foundation for Appalachian Kentucky for an application pre-filled with certain required information.
2. Complete and submit the application on July 1. Or, the Foundation can assist you with the preparation and filing of the application and all subsequent steps in the process.
3. Following a review by the Department of Revenue, a Preliminary Authorization Letter will be issued to you.
4. You will have 30 days from the date of the Preliminary Authorization to make your gift to the Foundation for your chosen fund.
5. Within 10 days of making your gift, the Foundation will complete a Schedule Endow on your behalf and send it to the Department of Revenue as proof of your charitable gift.
6. The Department of Revenue will review the Schedule Endow and send final approval to you.

Contact the Foundation for Appalachian Kentucky **before** you apply for your Endow Kentucky Tax Credit.

(606) 439-1357 or brenna@appalachianky.org

You may wish to consult your tax advisor before making this or other charitable gifts.

APPLICATION INSTRUCTIONS

Sections A-D	Enter your demographic information.
Section E	The application date should be on or after July 1.
Section F	Enter the amount of your intended gift to an endowed fund.
Section G	The amount entered here is equal to 20% of the amount of the intended endowment gift (Ex. If your intended gift is \$5,000, enter \$1,000 here). The maximum allowable is \$10,000 or \$20,000 for married filing jointly.
Section H - I	The Foundation has pre-filled this section for your convenience.
Section J	Enter the name of the endowment fund that your intended gift will support. Print and sign your name below this section. (Requires a physical, ink signature.)The date must be July 1 or later.
Consent to Release	Print and sign your name. A physical, ink signature is required. The date must be July 1 or later. This section gives the Foundation permission to send you key updates and help usher your application through the process. Optional, but we will not be able to send important reminders and help protect your eligibility if it is not completed.
Prior to July 1: Have the Foundation Submit on Your Behalf	Send your completed preliminary authorization application to the Foundation no later than June 30, and preferably by June 23. This gives us time to review and work with you to make any necessary corrections. Email your completed application to brenna@appalachianky.org . Be sure the consent section is completed. We will submit your application for you on July 1 and send reminders at key points throughout the process that require your attention.

On or After July 1: Please self-submit to the Department of Revenue using the instructions on page 2 of the application.