How does the program work?
The Community Investment Tax Credit Program is a tax initiative run by the Maryland Department of Housing and Community Development. It promotes community partnership by providing state tax credits to businesses and individuals who contribute to nonprofit organizations that address critical needs in local communities. [Abilities Network] is one such organization. All contributions support the Healthy Families program.

Who is eligible for the tax credits?
Any entity conducting business or operating a trade in Maryland is eligible to receive tax credits. Individuals who are Maryland residents are also eligible to participate.

How do you receive a tax credit?
Business entities or individuals that make donations will receive a tax credit equal to 50% of the value of the donation. These tax credits may be claimed in addition to state and federal deductions for charitable contributions. When combined with these deductions, the individual or business may be able to deduct 75 cents for every dollar donated. Donations are made directly to [Abilities Network] and donors are simply required to complete a short form to ensure that they receive the tax credit.

What types of contributions are eligible?
A minimum of $500 must be contributed to take advantage of the program. Businesses may claim a maximum amount of $125,000 in CITC tax credits per year, representing $250,000 in contributions.

Timing
A donor must start using tax credits against taxes owed for the year in which the contribution is made. Any excess credits may be carried over for 5 years following the tax year in which the contribution was made. Credits may not be used retroactively.

Key Points
- Participation provides increased visibility for local businesses.
- Donations support the expansion of existing Healthy Families services so that more families can be served.
- Tax credits may be claimed in addition to standard federal and state charitable contribution deductions.

FOR MORE INFORMATION, CONTACT:

[Abilities Network]
Healthy Families Baltimore County
8503 LaSalle Road
Towson, Maryland 21286

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# How the Community Investment Tax Credit Program Works

Up to 75% of charitable contributions may be eligible for deductions and savings!

<table>
<thead>
<tr>
<th>Charitable Contribution of $10,000</th>
<th>State Taxes</th>
<th>Federal Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Contribution</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Tax Rate*</td>
<td>7%</td>
<td>39%</td>
</tr>
<tr>
<td>Total Taxes Saved on Contribution = $2,377</td>
<td>$700</td>
<td>$1,677</td>
</tr>
</tbody>
</table>

| Tax Credit Charitable Contribution of $10,000 | |
|---------------------------------------------| |
| Cash Contribution                           | $10,000 |
| State Tax Savings                           | (700)   |
| Federal Tax Savings                         | (1,677) |
| Tax Credit Awarded (50% of donation)        | (5,000) |
| Total Taxes Saved                           | $7,377  |

*Note: Tax rates are shown for illustrative purposes only. Actual rates will vary based on each individual or business’ particular income and legal structure.

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