



CHILD CARE CONTRIBUTION CREDIT

*Monetary gifts to OpenWorld Learning from Colorado individuals and corporations result in tax savings of approximately 70 percent!*



**Example: \$10,000 Donation to OpenWorld Learning**

	35%	33%	28%
Pre tax income	\$ 350,000	\$ 250,000	\$ 150,000
Cash contribution	(10,000)	(10,000)	(10,000)
<b>Taxable income</b>	<b>\$ 340,000</b>	<b>\$ 240,000</b>	<b>\$ 140,000</b>
State taxes	\$ 15,742	\$ 11,112	\$ 6,482
50% Credit	(5,000)	(5,000)	(5,000)
Federal taxes	115,240	77,183	38,785
<b>Net tax WITH gift</b>	<b>125,982</b>	<b>83,295</b>	<b>40,267</b>
<b>Net tax WITHOUT gift</b>	<b>133,033</b>	<b>90,255</b>	<b>47,000</b>
Tax savings	7,051	6,960	6,733
<b>Net after-tax cost of \$10,000 donation</b>	<b>\$ 2,949</b>	<b>\$ 3,040</b>	<b>\$ 3,267</b>

Net after-tax cost of a \$10,000 donation

Note: Consult your tax advisor for your specific situation



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### **Maximize your impact with the Colorado Child Care Contribution Credit**

*Monetary contributions to OpenWorld Learning qualify for the Colorado Child Care Contribution Credit (CCCC), which is designated as a direct state income tax credit to promote child care within the state. This generous credit equals 50% of your total donation, and is further eligible for regular state and federal deductions as standard with a charitable gift - increasing your savings upwards of 65 percent (consult your tax advisor for details pertaining to your personal accounting).*

### **What you need to know:**

Any individual or corporation subject to Colorado state income tax may receive the Child Care Contribution Credit and corresponding deductions with an outright monetary gift to OpenWorld Learning.

The CCCC makes ALL such gifts automatically available for the 50% tax credit, regardless of tax bracket, filing status or adjustable income - resulting in an uncontested minimum savings of 50 percent.

Additionally, your donation may be deducted from federal and state income tax, which is a savings of approximately 70 percent.

The CCCC applies only to monetary donations. Gifts of real estate, appreciated stock and any item or service deemed as 'in-kind' contributions are ineligible to receive the credit.

The maximum credit per year is \$100,000, or actual CO income tax liability, whichever is less. Unused credit may be carried forward up to 5 years, extending the savings on future returns.

Current legislation specifies the donation must be made by December 31, 2009.

Donors may not receive any consideration in exchange for the financial gift. Such instances are considered a sales transaction by the State of Colorado Department of Revenue and as such cannot be subject to a tax credit.

Upon receipt of your gift, OpenWorld Learning will mail you an acknowledgement letter for your records along with completed Form DR 1317 that indicates the amount of your donation and how it is applied. Please retain this information for any tax-related filing or perspective auditing as a legal record of your donation and its eligibility for the CCCC.

Review detailed information by visiting: [www.revenue.state.co.us/fyi/html/income35.html](http://www.revenue.state.co.us/fyi/html/income35.html) & [www.taxcolorado.com](http://www.taxcolorado.com)