



Denver Public Schools Foundation—Tax Information

The Denver Public Schools (DPS) Foundation is a 501(c)(3) nonprofit organization. Donations made to the DPS Foundation are tax-deductible to the full extent of the law. Please consult with your tax advisor about the tax deductibility of your gift.

Colorado Child Care Contribution Credit

You deserve credit for your support of Denver Public Schools after-school programs!

The Colorado Child Care Contribution Credit was designed to promote child care in Colorado. A Colorado state income tax credit of 50% of the total contribution may be available to individual donors and corporations who direct a monetary contribution to **after-school programs** through the DPS Foundation.

Due to a recent change in state law, the Colorado Child Care Contribution Tax Credit will be deferred (but not eliminated) for all gifts made in calendar year 2011. Donors who make gifts to the Denver Public Schools Foundation restricted for after-school programs during 2011 will not be able to claim the credit on their tax return until it is reinstated. The availability of the credit in calendar year 2012 will be announced by the Colorado Legislative Council at the end of December 2011. The credit will be available starting again in 2013 in a limited fashion: in calendar years 2013 and 2014, the amount of the credit that can be claimed will be 50% and 75% respectively. In 2015, the credit will return to its original form.

Guidelines for Donations:

- Donors must designate, in writing, either on the check, pledge card or by letter, that the contribution is for **after-school programs** in Denver Public Schools.
- A minimum gift of \$100 is required to qualify for the credit.
- The Colorado Child Care Contribution Credit is limited to \$100,000 annually, not to exceed the tax liability for the year. Any excess credits may be carried forward for up to five years.
- In-kind and stock contributions do not qualify for this credit.
- Contributions must be paid before December 31, 2019 to qualify for this credit under existing law.
- All donors should consult a tax advisor regarding the calculation of the credit.
- The Denver Public Schools Foundation will provide you with the necessary documentation for your tax records.

How the Colorado Child Care Contribution Credit works:

Tax saving examples for individuals (assumes 28% federal tax rate and 4.63% state tax rate) and shows the full value of the tax credit, a portion of which must be deferred in calendar years prior to 2015.*

Contribution to After-School Program	\$100	\$250	\$1,000	\$5,000
Colorado Child Care Contribution Tax Credit (50%)	(\$50)	(\$125)	(\$500)	(\$2,500)
Colorado State Income Tax Deduction*	(\$5)	(\$12)	(\$46)	(\$232)
Federal Income Tax Deduction **	(\$13)	(\$32)	(\$127)	(\$635)
After-Tax Cost	\$32	\$81	\$327	\$1,633

* For illustrative purposes only. Individual income tax rates currently range from 10% to 35% for federal taxes and are 4.63% for Colorado taxes.

** The Federal income tax deduction is determined using the following calculation (based on \$1,000 contribution): $(\$1,000 - \$546) \times 28\% = \$127$



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When the Colorado Child Care Contribution Credit will be available:

If the state determines in December 2011 that the General Fund revenue **will not** grow by 6% :

Contribution Year	After-school Gift	Credit Amount	% Credit Allowed	\$ Credit Taken	Carry Forward Credit
2011	\$10,000	\$5,000	0%	\$0	\$5,000
2012	\$10,000	\$5,000	0%	\$0	\$10,000
2013	\$10,000	\$5,000	50%	\$7,500	\$7,500
2014	\$10,000	\$5,000	75%	\$9,375	\$3,125
2015	\$10,000	\$5,000	100%	\$8,125	\$0
	\$50,000	\$25,000		\$25,000	

If the state determines in December 2011 that its General Fund Revenue **will** exceed 6% growth then the entire credit from 2012 contributions plus any accrued carry forward could be claimed in 2012. The schedule of allowable credits to be claimed in 2013, 2014 and 2015 will remain the same. The DPS Foundation will monitor and report on the state's General Fund Revenue determination.

Benefits for Donors:

- Considerable tax savings.
- Both individuals and corporations can take advantage of the Colorado Childcare Contribution Tax Credit.
- Excess tax credits may be carried forward for up to five years.

Learn More:

The Denver Public Schools Foundation welcomes the opportunity to discuss the Colorado Childcare Contribution Tax Credit with you. Please contact us at 720.423.3553 for further information.

Learn More

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