

**Contribution Project Donation Example**

**The Following is one example of what can happen when you as a donor make a contribution to an Enterprise Zone Contribution Project:**

Let’s say you have a Colorado State Tax liability of……………………………………………………………$5,000

If you make a contribution to an Enterprise Zone Contribution Project totaling $10,000, you will receive a 25% tax credit on your Colorado Income Tax liability of…………………………………..($2,500)

Leaving you a net Colorado income tax liability of…………………………………………………………….$2,037

Schedule A also allows a federal income tax deduction on your contribution. So for your contribution of $10,000 at an assumed federal tax rate of 24% your net federal income tax savings would be……………………………………………………………………………………………………………….$2,800

So Altogether, your total contribution to an Enterprise Zone Contribution Project of…….$10,000

Gives you a reduction of Colorado State tax liability in the amount of…………………………...($2,963)

And a reduction of your federal tax liability in the amount of…………………………………………($2,800)

Yielding a net cost to you for your $10,000 contribution of just……………………………………..…$4,237

**Remember—this is just an example of what can happen. You should contact your own tax preparer for specific benefits related to your individual tax status and contribution. Please note, gifts of property or stocks also may qualify for tax credits of 12.5%.**