

“ENDOWING THE FUTURE TO MEET TODAY’S NEEDS”

**ENDOW ILLINOIS:
The Endow Illinois Tax Credit Act
SB1935**

Issue:

There is an URGENT NEED to support communities with additional funding for basic human needs. Increased charitable giving will enable Community Foundations to respond in greater measure to the needs of the community thus lessening the demands and burden upon state government. 27 states currently provide tax credits or other tax incentives for individual donors contributing to endowment funds. The Endow Illinois Tax Credit Act authorizes an income tax credit to taxpayers who provide an endowment gift to a permanent endowment fund. The Act sets a maximum aggregate amount of qualified credits.

Proposed Action:

Create the Endow Illinois Tax Credit authorizing an income tax credit for taxpayers who provide an endowment gift to a permanent endowment fund. The aggregate amount of all credits that the Department may authorize may not exceed \$50,000,000 in 2009, \$75,000,000 in 2010, or \$100,000,000 in 2011 and each calendar year thereafter.

Rationale:

- Community Foundations are “public foundations” subject to a public support test. Community Foundations blanket the state with the capacity to serve urban, suburban and rural communities in all 102 counties. Community Foundations provide opportunities to pool individual gifts into permanent local endowment funds for the benefit of the community, and give donors an unparalleled understanding of local needs.
- Funding from Community Foundations augments state human service and community & economic development programming.
- Basic Human Needs lies at the cornerstone of Community Foundation grantmaking.
- Community Foundations are efficient, agile and nimble operating with low administrative costs and overhead. Since 1915, approximately 12 million residents in Illinois have seen the benefit and advantage of many Community Foundation activities. In a convening role, Community Foundations gather citizens together to discuss solutions to common problems. And as planners with an eye on the future of Illinois, Community Foundations seek to align themselves with others who care for Illinois and its next generation.
- Endow Illinois is a project that will connect the state just as Community Foundations have gathered together to propose this unifying and progressive program.

PLEASE SUPPORT S.B. 1935, THE ENDOW ILLINOIS TAX CREDIT ACT.

Contact: Joy Boruff, President of the Alliance of Illinois Community Foundations at (309)736-3800 or Sandy Brattstrom, Legislative Chair at (815)744-9223 for more information.