Qualified Enterprise Zone Tax Credit

Help IEC and get a 25% tax credit!

Did you know the State of Colorado allows you to take a 25% tax credit on your state income taxes when you donate to IEC because of their designation as an Enterprise Zone?

The Enterprise Zone Program encourages job creation and capital investment in economically depressed areas by providing tax credits to businesses and projects that promote and encourage economic development activities in those areas. To see how a donation to IEC can benefit you from a tax standpoint, please see the example below.

Example based on a deduction of a $1,000 donation: If you were in the 28% tax bracket for federal income tax purposes, this donation would decrease your federal tax liability by $280 plus a reduction of Colorado tax liability in the amount of $46. The donation would also qualify for the 25% Enterprise Zone Credit. In this example, this credit would be $250 and would be available to offset the Colorado income tax liability. The total federal and state tax savings generated by your $1,000 donation would be $576.

The Enterprise Zone Credit is non-refundable but any excess credit can be carried forward for five years.

If you have any questions about Enterprise Zone Tax Credits please contact Pete Aden, CPA with Bauerle and Company, P.C. paden@bcdenver.com 303-759-0089.