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# State and Local Tax Treatment of Charitable Contributions

In addition to the federal income tax deduction for qualified gifts to charity available to individual taxpayers, a number of states and local jurisdictions that tax individual income also permit resident taxpayers to deduct or receive a tax credit for qualified gifts to charity.

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**Please refer to the notes below for important disclosures. Potential Donors should consult their own tax advisors before contributing.**

|                      | State/Local<br>Individual<br>Income<br>Tax? | State/Local<br>Charitable<br>Tax Benefit | Maximum<br>State/Local<br>Charitable<br>Tax Benefit |
|----------------------|---|--|---|
| Alabama              | YES   | YES                                      | 3.15%   |
| Alaska               | NO  | N/A                                      | N/A   |
| Arizona              | YES   | YES                                      | 2.50%   |
| Arkansas             | YES   | YES                                      | 4.90%   |
| California           | YES   | YES                                      | 13.30%*   |
| Colorado             | YES   | YES                                      | 4.40%*  |
| Connecticut          | YES   | NO                                       | 0.00%   |
| Delaware             | YES   | YES                                      | 6.60%   |
| District of Columbia | YES   | YES                                      | 10.75%*   |
| Florida              | NO  | N/A                                      | N/A   |
| Georgia              | YES   | YES                                      | 5.75%   |
| Hawaii               | YES   | YES                                      | 11.00%*   |
| Idaho                | YES   | YES                                      | 5.80%   |
| Illinois             | YES   | NO                                       | 0.00%   |
| Indiana              | YES   | NO                                       | 0.00%   |
| Iowa                 | YES   | YES                                      | 3.78%   |
| Kansas               | YES   | YES                                      | 5.70%   |
| Kentucky             | YES   | YES                                      | 5.00%   |
| Louisiana            | YES   | YES                                      | 0.00%*  |
| Maine                | YES   | YES                                      | 7.15%*  |
| Maryland             | YES   | YES                                      | 5.75%   |
| Baltimore County     | YES   | YES                                      | 8.95%   |
| Montgomery Co.       | YES   | YES                                      | 8.95%   |
| Prince George's Co.  | YES   | YES                                      | 8.95%   |
| Massachusetts        | YES   | YES                                      | 9.00%*  |
| Michigan             | YES   | NO                                       | 0.00%   |
| Minnesota            | YES   | YES                                      | 9.85%*  |
| Mississippi          | YES   | YES                                      | 5.00%   |
| Missouri             | YES   | YES                                      | 4.95%   |
| Montana              | YES   | YES                                      | 6.75%   |

|                   | State/Local<br>Individual<br>Income<br>Tax? | State/Local<br>Charitable<br>Tax Benefit | Maximum<br>State/Local<br>Charitable<br>Tax Benefit |
|-------------------|---|--|---|
| Nebraska          | YES   | YES                                      | 6.84%   |
| Nevada            | NO  | N/A                                      | N/A   |
| New Hampshire     | YES   | NO                                       | 0.00%   |
| New Jersey        | YES   | NO                                       | 0.00%   |
| New Mexico        | YES   | YES                                      | 5.90%   |
| New York          | YES   | YES                                      | 6.33%*  |
| New York City     | YES   | YES                                      | 10.21%*   |
| Yonkers           | YES   | YES                                      | 7.39%*  |
| North Carolina    | YES   | YES                                      | 4.75%   |
| North Dakota      | YES   | YES                                      | 2.90%   |
| Ohio              | YES   | NO                                       | 0.00%   |
| Oklahoma          | YES   | YES                                      | 4.75%   |
| Oregon            | YES   | YES                                      | 9.90%   |
| Clackamas County  | YES   | YES                                      | 10.90%  |
| Multnomah County  | YES   | YES                                      | 13.90%  |
| Washington County | YES   | YES                                      | 10.90%  |
| Pennsylvania      | YES   | NO                                       | 0.00%   |
| Rhode Island      | YES   | NO                                       | 0.00%   |
| South Carolina    | YES   | YES                                      | 6.40%   |
| South Dakota      | NO  | N/A                                      | N/A   |
| Tennessee         | NO  | N/A                                      | N/A   |
| Texas             | NO  | N/A                                      | N/A   |
| Utah              | YES   | YES                                      | 6.00%*  |
| Vermont           | YES   | YES                                      | 5.00%*  |
| Virginia          | YES   | YES                                      | 5.75%*  |
| Washington        | NO  | N/A                                      | N/A   |
| West Virginia     | YES   | NO                                       | 0.00%   |
| Wisconsin         | YES   | YES                                      | 5.00%*  |
| Wyoming           | NO  | N/A                                      | N/A   |

\* Charitable tax benefit is reduced at higher contributor income levels or subject to a cap. See below for additional information.  
Maximum state/local tax benefits indicated above are based on the treatment of qualified charitable contributions and tax rates in effect as of March 2024. State and local income tax rates and the treatment of charitable contributions for state and local tax purposes are subject to change.

\* In the following jurisdictions, the state and local tax benefits to individual resident taxpayers of charitable contributions are subject to additional limitations:

|                      |   |
|----------------------|---|
| California           | Otherwise allowable itemized deductions (IDs) are reduced by 6.0% of the taxpayer's federal adjusted gross income (AGI) in excess of a threshold amount (in 2023, \$237,035 for single filers, \$474,075 for married filing jointly (MFJ) and \$355,558 for head of household (HH)), up to maximum reduction of 80%. For a taxpayer whose federal AGI exceeds the applicable threshold, IDs up to 7.5% of the taxpayer's federal AGI in excess of the threshold are subject to the 80% reduction; IDs above 7.5% of the taxpayer's federal AGI in excess of the threshold are not reduced.  |
| Colorado             | Allowable IDs are limited to \$12,000 (in 2023) for single and head of household (HH) taxpayers with federal adjusted gross income (AGI) in excess of a threshold amount (in 2023, \$300,000) and \$16,000 for married filing jointly (MFJ) taxpayers with federal adjusted gross income (AGI) in excess of a threshold amount (in 2023, \$300,000).  |
| District of Columbia | Otherwise allowable IDs are reduced by 5.0% of the taxpayer's DC AGI in excess of a threshold amount (in 2023, \$200,000 for single, MFJ and HH). For a taxpayer whose DC AGI exceeds the threshold, IDs are allowable to the extent greater than 5% of the taxpayer's DC AGI in excess of the threshold.   |
| Hawaii               | Otherwise allowable IDs are reduced by 3.0% of the taxpayer's HI AGI in excess of a threshold amount (in 2023, \$166,800 for single, MFJ and HH), up to a maximum reduction of 80%. For a taxpayer whose HI AGI exceeds the applicable threshold, IDs up to 3.75% of the taxpayer's HI AGI in excess of the threshold are subject to the 80% reduction; IDs above 3.75% of the taxpayer's HI AGI in excess of the threshold are not reduced.  |
| Louisiana            | Beginning with the 2022 tax year, Louisiana's Excess Federal Itemized Personal Deduction is limited to medical expenses.  |
| Maine                | Allowable IDs are limited to \$33,200 (in 2023; adjusted annually for inflation) and phase out proportionately as the taxpayer's ME AGI increases from a lower threshold (in 2023, \$91,500 for single, \$183,050 for MFJ and \$137,300 for HH) to an upper threshold (in 2023, \$305,150 for single, \$366,100 for MFJ and \$335,650 for HH). Taxpayers whose ME AGI exceeds the upper threshold are not entitled to IDs.  |
| Massachusetts        | Beginning with the 2023 tax year, a charitable deduction is allowed to reduce Part B income, which includes wages, self-employment income, pension benefits, and retirement plan distributions. Part B income does not include dividends, capital gains, or interest (other than interest from MA banks). The charitable deduction is limited to 50% of the taxpayer's Part B income, whether the charitable gifts are cash or otherwise, including appreciated securities. Any disallowed charitable deductions may be carried forward up to five years.   |
| Minnesota            | Otherwise allowable IDs are reduced by 3.0% of the taxpayer's federal AGI in excess of a threshold amount (in 2023, \$220,650 for single, MFJ and HH), up to maximum reduction of 80%. For a taxpayer whose federal AGI exceeds the applicable threshold, IDs up to 3.75% of the taxpayer's federal AGI in excess of the threshold are subject to the 80% reduction; IDs above 3% of the taxpayer's federal AGI in excess of the threshold are not reduced.   |
| New York             | Otherwise allowable charitable IDs are reduced by 75% for taxpayers whose NY AGI exceeds \$10,000,000, and reduced by 50% for resident taxpayers whose NY AGI exceeds \$1,000,000 but is less than \$10,000,000. For resident taxpayers whose NY AGI is less than \$1,000,000 but exceeds a threshold amount (in 2023, \$100,000 for single, \$200,000 for MFJ and \$150,000 for HH), charitable and other IDs are reduced by 25% of the fraction of \$50,000 by which the taxpayer's NY AGI exceeds the threshold (to a maximum NY AGI-based ID disallowance of 25%) and then further reduced by 25% of the fraction of \$50,000 by which the taxpayer's NY AGI exceeds \$475,000 (to a maximum ID disallowance of 50%). Otherwise allowable IDs for taxpayers whose NY AGI is less than \$1,000,000 are further reduced by 3.0% of the taxpayer's federal AGI in excess of a threshold amount (in 2023, \$313,200 for single, \$375,850 for MFJ and \$344,500 for HH), up to maximum additional reduction of 80%. |
| Utah                 | The 6.0% tax credit for the sum of a taxpayer's Utah personal exemptions and federal deductions (other than for state income taxes paid) is reduced, but not below zero, by 21.67% of the taxpayer's Utah taxable income in excess of a threshold amount (in 2023, \$16,742 for single, \$33,484 for MFJ and \$25,114 for HH).  |
| Vermont              | The 5.0% tax credit for qualified gifts to charity is subject to an annual gift limit of \$20,000 (maximum annual credit of \$1,000).   |
| Virginia             | Otherwise allowable IDs are reduced by 3.0% of the taxpayer's federal AGI in excess of a threshold amount (in 2023, \$307,400 for single, \$368,900 for MFJ and \$338,150 for HH), up to maximum reduction of 80%. For a taxpayer whose federal AGI exceeds the applicable threshold, IDs up to 3.75% of the taxpayer's federal AGI in excess of the threshold are subject to the 80% reduction; IDs above 3.75% of the taxpayer's federal AGI in excess of the threshold are not reduced.  |
| Wisconsin            | The 5.0% tax credit applies to the taxpayer's charitable and other federal IDs allowable for WI purposes in excess of the WI standard deduction that applies.   |

## Important Information and Disclosures

*The indicated Maximum State/Local Charitable Tax Benefit for each jurisdiction reflects the treatment of qualified charitable contributions and state and local income tax rates in effect as of March 2024, rounded to the nearest hundredth of a percent. For the 31 states (and the District of Columbia) in which qualified charitable gifts are deductible for state tax purposes, the stated maximum charitable tax benefit generally equals the highest marginal tax rate applicable to individual resident taxpayers in each jurisdiction. The maximum charitable tax benefit indicated for AL and IA is the highest marginal individual tax rate in those states, net of the deduction for federal taxes paid that is available there. The maximum charitable tax benefit indicated for selected MD counties reflects the highest combined state and local individual tax rates in effect there; other MD counties apply local resident income taxes at rates up to 3.20%, the impact of which is not shown. The maximum charitable tax benefit indicated for NY and the two NY cities with local income taxes (New York City and Yonkers) reflects the highest combined state and local individual resident tax rates in those jurisdictions for which the*

NY limitations on charitable deductions summarized above do not apply. The maximum charitable tax benefit indicated for the three OR counties with local income taxes in effect reflects the highest combined state and local individual tax rates for residents of those counties who live in the Portland Metro District; the highest combined state and local income tax rates for county residents living outside the Portland Metro District are 1.0% lower than indicated. For the three states (UT, VT and WI) that provide a tax credit for qualified charitable gifts, the stated maximum charitable tax benefit equals the tax credit percentage. This analysis ignores the surtax of up to 20% of residents' IA state income taxes applicable in certain local IA jurisdictions, the alternative minimum tax imposed by certain states (CA, CO, CT, IA and MN) and the limited deduction for federal income taxes paid that is available in certain states (MO, MT and OR), which may affect the value of state charitable tax deductions. The availability of charitable and other allowable itemized deductions is limited to resident taxpayers who itemize their federal income tax deductions in DC, GA, ID, KS, MA, ME, MD, MO, NE, NM, ND, OK, SC and VA; other states permit resident taxpayers to itemize state income tax deductions and deduct qualified charitable gifts irrespective of whether they itemize federal deductions. AZ resident taxpayers who do not itemize state income tax deductions may increase the allowable AZ standard deduction by 25% of the value of their qualified charitable gifts. CO resident taxpayers who do not itemize federal income tax deductions may deduct qualified charitable gifts in excess of \$500 annually for state tax purposes. WA imposes a tax of 7% on the sale or exchange of certain LTCG assets if the profits exceed \$250,000, the effect of which is not shown. Resident taxpayers subject to the tax may deduct the amount of their charitable donations in excess of \$250,000 annually, subject to an annual limit of \$100,000.

The itemized federal income tax deduction available to individual taxpayers in the tax year of contribution for qualified charitable gifts to public charities is generally limited to not more than 60% of the taxpayer's federal adjusted gross income (AGI) for cash contributions, 50% of the donor's AGI for gifts of appreciated property for which the donor elects to base the charitable deduction on the fair market value of the property less the amount of the property's appreciation from cost or other tax basis, and 30% of the donor's AGI for other gifts of appreciated property, with the balance carried forward for up to five years after the year the contribution is made. State and local jurisdictions providing deductions or credits for qualified gifts to public charities generally follow the federal limits. AL, AR, HI, IA and MT generally use the federal deduction limits, but applied against state AGI. CA applies a 50% of federal AGI limit on the deductibility of cash charitable gifts in the year of contribution, rather than the federal limits. State and local jurisdictions providing deductions or credits for qualified charitable gifts to public charities generally follow the federal limits. AL, AR, HI, IA and MT use the federal percentage limits, but applied against state AGI. CA applies a 50% of federal AGI limit, instead of the 60% federal limit, on permissible charitable deductions in the year of contribution for cash gifts. See "Tax Considerations – Charitable Income Tax Deductions" in the Trusts' Information Statements for additional information.


State and local income tax rates and the treatment of charitable contributions for state and local tax purposes are subject to change. This table is provided for educational purposes only and is not intended to provide, and should not be construed as providing, legal or tax advice. The output is general in nature and is not intended to serve as the primary or sole basis for investment or tax-planning decisions. **Each prospective donor to a Trust should consult his or her own tax advisors with respect to the federal, state, local and non-U.S. tax implications of a contribution to a Trust.**

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The foregoing discussion applies to the currently offered Legacy Income Trusts and the predecessor Legacy Income Trusts established by the Gift Trust in 2019, which ceased accepting new contributions on January 1, 2022. This discussion also applies to the pooled income funds established by the Gift Trust prior to the Legacy Income Trusts, which are also no longer accepting new contributions.

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