



# *informational*

## *Bulletin*

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This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

For information visit our website at:  
[tax.illinois.gov](http://tax.illinois.gov)  
[mytax.illinois.gov](http://mytax.illinois.gov)

For assistance setting up your MyTax  
Illinois account, call us at:  
1 800 732-8866 or  
217 785-3707

TTY at:  
1 800 544-5304

Hours:  
Monday through Friday,  
8:00 a.m. - 5:00 p.m.

## The Illinois Gives Tax Credit Act

### *To: All Illinois taxpayers*

Effective for tax years ending on or after December 31, 2025, the Illinois Gives Tax Credit Act creates an income tax credit for taxpayers who make a qualified contribution to a permanent endowment fund during the taxable year. The endowment funds provide charitable grants exclusively for the benefit of residents of the State or charities and charitable projects located in the State. [\(35 ILCS 60/170\)](#)

Eligible endowment funds must be held by Qualified Community Foundations (QCFs) who must be approved by the Illinois Department of Revenue (IDOR) before accepting contributions eligible for income tax credits or issuing Certificates of Receipts (CORs) to donors.

### Quick Start Guide to Applying For and Receiving the Illinois Gives Tax Credit

Specific details about the Illinois Gives Tax Credit Program are described on the following pages. However, for a quick overview about how to apply and receive an Illinois Gives tax credit, follow these steps.

1. Apply to make a contribution to a QCF through MyTax Illinois.
2. Receive a Contribution Authorization Certificate (CAC) from IDOR through MyTax Illinois.
3. Make the contributions to the QCF within 10 business days after receiving the CAC.
4. After receiving the contribution, the QCF will confirm receipt within 30 business days and a COR will be created and issued to you through MyTax Illinois.
5. After receiving a COR, you may claim the credit on your income tax return.

### What is a permanent endowment fund?

A permanent endowment is a fund which is kept in perpetuity, with only its earnings providing regular operating support and funding for charitable projects. Other than investing, the holding foundation may not use any of the money from the initial donations (or from property that was liquidated). Instead, the foundation uses the earnings that it receives from the investment of the initial donation to support its projects and operations.

To qualify for the Illinois Gives Tax Credit Program, the permanent endowment funds must:

- provide charitable grants exclusively for the benefit of residents of the State or charities and charitable projects located in the State;
- exist into perpetuity;
- have an annual spending rate based on the foundation spending policy (not to exceed 7%); and
- not be a donor advised fund.

### What benefits are received by taxpayers for making a qualified contribution?

Beginning with tax years ending on or after December 31, 2025, Illinois taxpayers who are approved to participate in the Illinois Gives Tax Credit Program can claim a state income tax credit in the amount of 25 percent of their total qualified contributions made to one or more permanent endowment funds held by QCFs during a taxable year. Income tax credits cannot exceed \$100,000 per taxpayer, per year.

**Example:** A taxpayer makes a qualified contribution of \$10,000 to an approved QCF. The taxpayer will be eligible to claim a \$2,500 income tax credit.

### How many credits are available?

IDOR can issue up to \$5 million in tax credits per calendar year (25% of the \$20 million maximum donation amount).

A maximum of \$750,000 in tax credits per calendar year (25% of the \$3 million maximum donation amount made to a single QCF eligible for credits under this program) can be issued as a result of contributions made to a single QCF.

### How are credits awarded?

Generally, credits shall be awarded on a first-come, first-served basis. However, 25% of the annual credit amount is reserved for contributions considered “small gifts”. For the purpose of the Illinois Gives Tax Credit Program, “small gifts” are gifts of \$25,000 or less. If a taxpayer is trying to make a “large gift” donation but 75% of the total eligible contributions for the year have already been made in gifts larger than \$25,000, the request will not be accepted. Only “small gifts” contributions will be accepted at that time (unless the total credit maximum has been reached).

### How do taxpayers get approved for the credit?

Taxpayers with an active income tax account must apply online to IDOR for approval to make contributions through our free online tax portal, MyTax Illinois. Approval is granted automatically as long as the thresholds outlined in the Illinois Gives Tax Credit Program have not been met. Taxpayers will choose the QCF when applying for the credit.

**Example:** A taxpayer files an online application intending to contribute \$100,000 to Community Help Foundation, which is a registered QCF with IDOR. As long as Community Help Foundation has not met its maximum donation amount (\$3 million in donations which equates to \$750,000 in credit) or the donation would not make the “large gift” donation total exceed the maximum (\$15 million in donations which equates to \$3.75M in credit), the taxpayer will receive a Contribution Authorization Certificate (CAC) from IDOR authorizing the \$100,000 contribution to the QCF, which equates to a \$25,000 tax credit.

**Important:** Taxpayers must have a registered MyTax Illinois account to apply for the credit and to receive a COR. A taxpayer wanting to apply for the credit approval is encouraged to create a MyTax Illinois account as soon as possible to avoid any processing delays. For individual taxpayers, it can take between 7-10 days for the MyTax Illinois account to be set-up.

### When can taxpayers submit an application to be approved for the tax credit?

The Illinois Gives tax credit application for individual and business taxpayers begins January 1, 2025.

**Important:** Taxpayers must have a MyTax Illinois account in order to apply for the credit. To receive a tax credit for a contribution, the payment must be received by the QCF by the last day of your filing period and the QCF must confirm receipt of the contribution.

### What do taxpayers need to be eligible to claim a credit?

After a taxpayer has applied and been approved for the Illinois Gives tax credit, taxpayers are issued a CAC by IDOR. Within 10 business days, the taxpayer must provide the QCF with their contribution to earn a valid credit.

**Please note:** If a CAC is requested with less than 10 business days left in the year, the payment must be received by the QCF by December 31st.

**Important:** Taxpayers must have a MyTax Illinois account in order to apply and receive a CAC for the credit.

### How do taxpayers claim their credit?

After receiving the contribution, the QCF must confirm the contribution within 30 business days of receiving it for the income tax credit to be valid. After confirmation, a COR is automatically created and issued to the taxpayer through MyTax Illinois. Once the taxpayer receives a COR, the taxpayer must claim the credit on that year’s income tax return regardless of whether the taxpayer has an income tax liability that year or not.

### What if a taxpayer doesn’t need all of their tax credit?

Any credit amount that exceeds a taxpayer’s tax liability for the year in which they claimed the credit may be carried forward and applied to their tax liability in the subsequent five taxable years. Credits are applied to the earliest year for which there is a tax liability. Credits cannot be carried back to a prior tax year.

**Please note:** Taxpayers must apply to receive an Illinois Gives tax credit for each donation separately. If claiming unused credits from a prior year, approval is not required.

### How do individuals filing a joint return claim the Illinois Gives tax credit?

Individuals filing a joint return are each allowed to claim a credit they themselves have received, which may not exceed \$100,000. A joint filed return may not claim more than \$200,000 in Illinois Gives credit.

**Example:** Two married individuals contribute money to a fund. One of the married individuals, Individual 1, contributes \$500,000 while their spouse, Individual 2, only contributes \$200,000. The couple decides to file a joint return. Only \$400,000 of Individual 1's contributions are eligible for a credit, which equates to a credit of \$100,000 (the maximum amount a taxpayer may earn in a year). The maximum credit allowed to be claimed on their joint return would be \$150,000, which consists of the \$100,000 of credit for Individual 1 and Individual 2's credit of \$50,000 (\$200,000 multiplied by 25%). The extra \$100,000 in contributions that Individual 1 made to a fund was not eligible for an income tax credit under this Act and therefore could not be claimed on the joint filed return.

### Can a taxpayer apply for a CAC for a donation already made?

Yes. Taxpayers may apply for a CAC up to 15 business days after donating to a QCF. However, the donation and the CAC must be in the same calendar year.

**Important:** Making a contribution prior to applying for a CAC does not guarantee the donor will receive an income tax credit. Multiple factors may result in the donation not being eligible for the credit (e.g., the Illinois Gives tax credit limit has been met, donor has earned the maximum amount of Illinois Gives tax credits, QCF has reached its maximum amount of eligible contributions, etc.).

## QCF Information

### What is a Qualified Community Foundation?

QCFs are community foundations that are authorized to receive charitable contributions and meet the standards established by Community Foundations National Standards. QCFs are registered with IDOR as non-profit organizations. After approval by IDOR, QCFs can receive qualified contributions to their permanent endowment funds from individuals and businesses. Once a QCF confirms receipt of a qualified contribution, a COR is issued to the taxpayer for that contribution.

To be eligible for the Illinois Gives Tax Credit Program, QCFs must be exempt from tax under Section 501(c)(3) of the Internal Revenue Code.

### How does an organization apply to become a QCF?

Applications must be submitted electronically through MyTax Illinois which is available at [mytax.illinois.gov](https://mytax.illinois.gov).

### When are applications accepted?

Foundations that want to be approved as a QCF may apply beginning in December 2024. IDOR will respond to an application within 30 business days after receipt of the application. If approved, IDOR will send the taxpayer a certificate of registration.

A QCF's certificate of registration expires on December 31 of each year regardless of when the certificate was obtained in that year. A QCF wanting to remain certified through IDOR must apply for recertification prior to the expiration date of the certificate to avoid unnecessary delays in processing and/or additional paperwork. IDOR will notify the QCF prior to expiration that their certificate is due to expire. It is the QCF's responsibility to provide IDOR with the necessary information (as detailed in the renewal application in MyTax Illinois) to be recertified.

## How is a COR issued to contributors?

A COR is created and issued to a contributor after a contributor applies and is approved for a CAC, the taxpayer sends their contribution to a QCF, and the QCF confirms receipt of contribution.

A QCF can view all open and closed contribution amounts (along with other identifying information) pledged to them in their MyTax Illinois account.

### To view contribution amounts-

1. Login to their MyTax account.
2. Select "View more account options" in the Qualified Community Foundation window on their summary screen.
3. Select "View Account Periods" in the "Periods and Submissions" window.
4. Select the applicable period (for example, for credits to be issued in 2025, select the 12/31/2025 period).
5. Select "Confirm Contributions" in the upper right corner of their *Account* window.
6. Select either "Open Contributions" tab to view active contributions (i.e., a CAC has not been confirmed) or "Closed Contributions" tab to view inactive contributions (i.e., a CAC has already been confirmed or has expired).

Once a contribution has been received by the QCF, the QCF must confirm receipt of the contribution before the system will issue a COR to the taxpayer.

### To confirm receipt of a contribution-

1. From the "Open Contributions" tab, find the corresponding CAC from the list of contributions.
2. Select "Issue Receipt" under the "Confirm Contribution" column. This will open up the "Issue QCF Certificate of Receipt" window, which gives further details about the contribution.
3. From the "Issue QCF Certificate of Receipt" window, select the blank box under the "Date Received" column and enter the date the contribution was received.
4. Select the "0.00" under the "Amount" column and change it to the amount of donations received.  
**Please note:** This may not always match the amount of the CAC. Only enter the amount actually received. (For example, if the CAC is for \$3,000 and the QCF only receives \$2,000, the QCF would enter \$2,000 in the "Amount" column.)
5. Select the "0.00" under the "Confirm Amount" column and re-enter the amount actually received.
6. A new row for additional payments is added automatically after information has been added. Use the new row and follow Steps 3 through 5 above to list any additional payments that are part of this CAC.
7. When all necessary information has been entered, select the "Submit" button at the bottom of the "Issue QCF Certificate of Receipt" window.
8. In the security window that opens, re-enter your password and select "OK".
9. A confirmation window will open and the COR will automatically be sent to the contributor through MyTax Illinois.

### **What does the QCF do with the donations it receives?**

The goal of QCFs is to improve the lives of Illinois residents. Donations made to permanent endowment funds are used by the QCFs to accomplish that goal. The Illinois Gives Tax Credit Act stipulates that a QCF's permanent endowment fund must provide charitable grants for the benefit of residents of Illinois or charities and charitable projects located in Illinois.

An initial donation to a QCF may not be spent because the permanent endowment funds are intended to exist in perpetuity. Instead, a QCF uses the earnings that it receives from the investment of the initial donation to support its projects and operations. The Illinois Gives Tax Credit Act stipulates that the endowment fund must have an annual spending rate (also known as a charitable payout) not to exceed 7% of their total assets.

### **Where can I find out more information?**

For more information, visit the [Illinois Gives Tax Credit Program home page](#).

Visit IDOR's website at [tax.illinois.gov](http://tax.illinois.gov) or scan the QR code provided.

