

## ***Detailed Explanation of the Tax Credit***

The Political Tax Credit allows a married couple to contribute up to \$100 — a single person can contribute up to \$50 — to a qualified political cause and receive the full amount of their contribution back as a credit on their Oregon tax return.

### ***The Deadline***

Contributions must be dated no later than December 31st, 2010 to receive the credit on your 2011 Oregon tax return. Contribution checks dated December 31, 2010 will still apply to 2010 if received by Jan 7, 2011. All contributions dated January 1, 2011 or later will be applied to your 2012 Oregon Political Tax Credit.

### ***A Credit, not a Deduction***

Please note, this is not a tax deduction like your home mortgage interest deduction or contributions to a charity. This is a dollar-for-dollar credit. In other words if your total state taxes for 2010 are \$500 and you made a political contribution to a qualified political committee of \$100, you would only pay \$400 in taxes.

### ***Please Note***

Contributions or gifts to the Washington County Republican Party are not deductible as charitable contributions for Federal income tax purposes.

### ***Contribution Limits***

The maximum allowable credit for a married couple filing jointly is \$100. The limit for individual taxpayers is \$50. (You may contribute more to the committee if you desire but the credit applied to your taxes is limited to \$100 for couples, \$50 for singles). Naturally your tax bill must equal or exceed your contribution in order to receive the full credit.

### ***Qualified Contributions***

Qualifying Oregon political organizations include the following:

- Political Parties
- Individual Candidate Committees
- Political Action Committees

### ***You Have a Choice***

The Political Tax Credit is a no-cost way to support the political cause of your choice. Said another way, the political tax credit allows you to "re-direct" a portion of your taxes. You can say "rather than giving this \$100 to the government, I will give it to a worthy Oregon political organization instead." Either way, you still have to spend the money, but you decide how it gets used. So the Political Tax Credit literally costs you nothing.

### ***Records***

Please keep your canceled check or contribution receipt. You do not need to attach it to your state return, but it's wise to keep it for your records.

If you have any further questions regarding the political tax credit, please consult your tax advisor.