

# Massachusetts Community Investment Tax Credit

The Community Investment Tax Credit (CITC) is designed to support high-impact community-led economic development initiatives through a strategic, market-based approach that leverages private contributions and builds strong local partnerships. It provides a 50% tax credit against Commonwealth of Massachusetts tax liability. CITC-eligible contributions providing flexible working capital that can be used to seed new programs, fill funding gaps, and leverage other resources.

*“The more I give, the more I get back — literally! It’s a great feeling, knowing my donation goes twice as far at no extra cost to me.”*

## How It Works

The Community Investment Tax Credit Program (CITC) offers individuals, corporations, and nonprofit institutions the opportunity to obtain a 50% Massachusetts state tax credit and up to a 35% federal tax deduction (depending on your tax bracket), while investing in the economic development of the communities that need help most.

## Who Can Claim Community Investment Tax Credits?

It’s easy to make a CITC-eligible gift.\* The minimum contribution is \$1,000, and the maximum is \$2 million. Even if you don’t have any tax liability, or you live out of state, you can utilize this program and receive a refund in the amount of the credit. Individuals, nonprofit organizations, and corporations can all claim this tax credit. Banks can utilize the credit for CRA donations.

\* Tax credits are limited; availability is first-come, first-served.



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## First Year Tax Savings Example<sup>1</sup>

(Assuming 35% Tax Bracket)

Your Donation	\$10,000
Community Investment Tax Credit	\$5,000
Federal Charitable Tax Deduction (35%)	\$3,500
First Year Tax Savings	\$8,500
First Year Out-of-Pocket Cost	\$1,500
Possible Second Year "Add-Back" <sup>2</sup>	\$1,750
Possible Final Out-of-Pocket Cost <sup>2</sup>	\$3,250
Total Benefit to LISC	\$10,000

1 Please consult your tax advisor to confirm your tax implications.

2 A donor's federal income tax may be impacted in the subsequent year depending on their individual tax situation. Because state tax payments can be tax deductible, a reduction in state taxes may reduce your federal deduction, thereby increasing your federal taxable income by the amount of your CITC credit/refund. At most, the second year federal tax impact will be half the first year federal tax savings. Taxpayers subject to the Alternative Minimum Tax will not be impacted in this manner.

## THE OPPORTUNITY

### Double your support and help build sustainable communities

Massachusetts's Community Investment Tax Credit (CITC) allows donors to double their impact by providing a 50% tax credit against for donations of \$1,000 to \$2 million to LISC Boston. These gifts help us improve economic opportunities for low and moderate income households in urban, rural, and suburban communities across the Commonwealth.

*"LISC has a unique role to play as a national organization with a strong Boston presence. We have longstanding relationships with local residents and trusted community organizations, and the ability to bring national resources to bear on the issues that concern them most."*

**Bob Van Meter, Executive Director, LISC Boston**

## THE ORGANIZATION

### Local Initiatives Support Corporation (LISC)

LISC believes that everyone should have the right to live in a safe, prosperous neighborhood full of opportunities. We work toward this vision by providing funding, financing, and technical assistance to community development corporations (CDCs), nonprofit developers, and policy and advocacy organizations throughout Massachusetts.

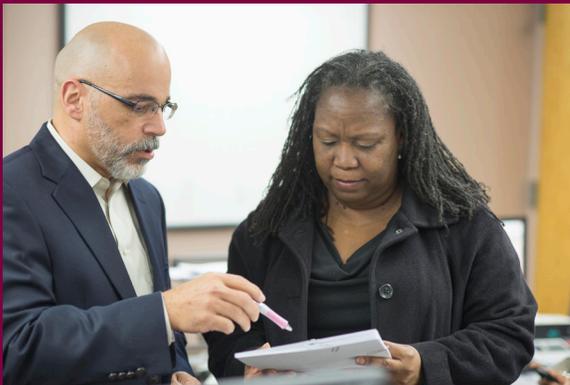
Since our founding in 1981, LISC Boston has:

- Financed approximately 2 million square feet of retail and community space
- Provided more than \$20 million in operating support and program funding to more than 50 Boston-area nonprofit organizations
- Underwritten more than 10,000 affordable homes, housing approximately 30,000 people
- Trained more than 500 individuals working at community development corporations in Massachusetts
- Placed more than 150 interns and AmeriCorps members at CDCs across Massachusetts

## THE INVESTMENT

**CITC donations support a broad array of community development efforts**, including:

- Affordable housing
- Increasing family income and wealth
- Equitable transit-oriented development
- Building community capacity
- Business development
- Community safety
- Greening neighborhoods



For more information about taking advantage of the CITC and supporting LISC Boston, contact Leah Bloom, Program Officer, Communications and External Relations, at (617) 338-0411 x228 or [lbloom@lisc.org](mailto:lbloom@lisc.org).

**LISC**  
Boston

**Local Initiatives Support Corporation**  
95 Berkeley Street, Suite 301  
Boston, MA 02116

[www.bostonlisc.org](http://www.bostonlisc.org)