

Political contributions tax credit



December 2007

www.oregon.gov/DOR

Oregon law allows a tax credit for political contributions.

Who can claim the credit?

To qualify, you must have contributed money in the year you claim the credit. You must reduce the amount of your contribution by the fair market value (FMV) of any item(s) or service(s) you receive in exchange for your contribution. Contributions of goods or services do not qualify. Keep receipts from the candidate or organization with your tax records. You can use copies of canceled checks as your receipt.

Example 1: Holly contributes \$275 for a fund-raising dinner for a presidential candidate. The FMV of the dinner was \$35. Holly's political contribution is \$240. She must reduce her \$275 contribution by the \$35 FMV of the dinner she received. Being single, Holly's political contribution credit is limited to \$50.

Example 2: Burt donated a desk, chair, and a four-drawer file cabinet to his favorite political action committee (PAC) headquarters. The FMV of the furniture is \$410. Burt has a written receipt from the PAC. He cannot claim a political contribution credit because he didn't contribute money to the PAC. His contribution of office furniture does not qualify for the credit.

Which contributions qualify?

Candidates and their principal campaign committees.

You can claim a credit for a contribution to a candidate for federal, state, or local elective office, or to the candidate's principal campaign committee. To qualify, at least one of the following must occur in Oregon the same calendar year you made your contribution:

- The candidate's name must be listed on a primary, general, or special election ballot,
- A prospective petition of nomination must be filed by or for the candidate,
- A declaration of candidacy must be filed by or for the candidate,
- A certificate of nomination must be filed by or for the candidate,

- A designation of a principal campaign committee must be filed with the Oregon Secretary of State's Office. **Note:** The designation must be made in each year a contribution is made to qualify under this provision.

Political action committees. You can claim a credit for contributions to political action committees (PACs). The organization must have certified the name of its political treasurer with the appropriate filing officer, usually the Secretary of State for statewide or regional elections, your county clerk for county elections, or your city recorder for city elections. PACs registered with the Federal Elections Commission may not be required to register in Oregon.

Political parties. Political parties can be national, state, or local committees of major political parties. Oregon also allows a tax credit for contributions made to minor political parties that qualify under state law. Contact the Oregon Secretary of State's Office in Salem at 503-986-1518 to see if a particular party qualifies.

Newsletter fund—credit not allowed. Oregon does not allow a credit for contributions made to a newsletter fund.

How much is the credit?

Your credit is equal to your contribution, but limited to \$100 on a joint return or \$50 on a single or separate return.

Partners or S corporation shareholders can claim a credit for their share of political contributions made by the partnership or S corporation. The contribution must meet the statutory requirements. The \$50 and \$100 limits apply individually to each partner's or shareholder's return.

No carryforward. The credit cannot be more than your tax liability for Oregon. Any credit not used this year is lost.

Taxpayer assistance

General tax information www.oregon.gov/DOR

Salem 503-378-4988

Toll-free from an Oregon prefix 1-800-356-4222

Asistencia en español:

Salem 503-378-4988

Gratis de prefijo de Oregon..... 1-800-356-4222

TTY (hearing or speech impaired; machine only):

Salem 503-945-8617

Toll-free from an Oregon prefix 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers for information in alternative formats.