

# FYI – For Your Information

## Charitable Contributions Subtraction

For tax years beginning on or after January 1, 2001 any individual that claims the federal standard deduction instead of itemizing their deductions on their federal return may be able to subtract a portion of their charitable contributions from their Colorado taxable income. This subtraction will only be available in tax years during which the state's fiscal year ends with a qualified surplus. [C.R.S. 39-22-104(4)(m)].

**NOTE: The charitable contributions subtraction is not available for tax years 2002, 2003 or 2004. The State of Colorado did not have a budget surplus for the years ending June 30, 2002 through June 30, 2004.**

### Computing the Subtraction

The amount that can be subtracted from income will be equal to the amount in excess of \$500 that could have been deducted on the Federal Schedule A under the Gifts to Charity section had the taxpayer itemized their federal deductions.

**Example:** Stephanie gave \$700 to charity A and \$200 to charity B during 2001. She did not have enough deductions to itemize her 2001 deductions, so she claimed the federal standard deduction. She can subtract \$400 (\$900 - \$500) on the Charitable Contribution subtraction line of Form 104.

### Qualified Surplus

The qualified surplus that is needed for the charitable contribution subtraction to be available in any given tax year is a \$410.9 million surplus that must be refunded under section 20 of Article X of the state constitution. The \$410.9 million amount will be adjusted for the rate of growth of Colorado personal income.

### FURTHER INFORMATION:

FYIs, commonly used forms and additional tax information are available on the Web at [www.taxcolorado.com](http://www.taxcolorado.com)

For additional income tax information visit the "Tax Information Index" at [www.taxcolorado.com](http://www.taxcolorado.com)

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.



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