



Tax Tips You Can Use May 2005
Oregon Tax Credit for Political Contributions
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Do you know that the State of Oregon allows an Income tax credit for Political Contributions?

The state of Oregon encourages taxpayers to participate in the political process. The credit is as much as \$50 per taxpayer. This means that a single person can have their income tax reduced dollar for dollar up to \$50 for qualified political contributions and a married couple filing jointly can reduce their taxes up to \$100.

Political Contributions are defined by the state as cash to candidates, political parties and Political Action Committees (PAC's). "You may claim a credit for a contribution to a candidate for federal, state, or local elective office, or to the candidate's principal campaign committee. 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. You may 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. Generally, this is 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." This information comes from Department of Revenue Bulletin #150-101-662.

This credit is nonrefundable and may not be carried over to future years. This means that you can only use to reduce you income tax liability for the current year. It is use it or lose it. Also remember that deductions reduce your income but credits reduce your tax.

If you do your own taxes, do not overlook this credit. Many out of state tax return preparers are not familiar with Oregon credits, so the taxpayer needs to insure that it is not overlooked.

The fine print is that this article is for information only. Please call Kathy or a tax professional for questions about your individual tax situation. The Jacksonville Tax Lady can be reached at 541-899-7926 or at 610 North Fifth Street.

