Endow Minnesota
Bill Summary:
SF1652 / HF1860

**Purpose**
Endow Minnesota will promote community and economic development throughout Minnesota, converting the forthcoming generational transfer of wealth into permanent assets held by community foundations. The end result will be local jobs and increased grants to support community development, including the ability to improve local education, health and social services, cultural and civic engagement, and philanthropic capacity. *Bill Reference: Section 1, Subd. 2(h)*

**Tax Credit to Build Community Endowments**
Establish tax credit of 25% of the amount of a gift to a permanent endowment fund, for gifts up to $100,000 and a maximum of $25,000 credit per year for any single donor. For contributions that exceed the annual limit, claims for credits can be carried over into subsequent years. A portion of the tax credits are set aside each year for claims for smaller donations. The amount of the tax credit cannot exceed tax liability and the credit is not transferable. *Bill Reference: Section 2, Subd. (a) (b) (h)*

**Eligibility to Claim Tax Credit**
Includes individuals, partnerships and corporations. *Bill Reference: Section 2*

**Budgetary Cap**
Endow Minnesota has a $2 million cap on annual tax credits. This is a limited and manageable impact on the state’s tax expenditure budget. *Bill Reference: Section 1, Subd. 2(c)*

**Sunset**
Endow Minnesota will respond to a unique generational transfer of wealth opportunity. It is proposed to begin with tax year 2014 and to sunset after 15 years. *Bill Reference: Section 1, Effective Date.*

**Evaluation of Impact**
The impact on creating jobs, supporting community development and developing local philanthropic capacity will be evaluated. *Bill Reference: Section 1, Subd. 2(h)*
Foundation Eligibility
The bill defines eligible community foundations that may accept contributions that qualify for the Endow Minnesota tax credit. Key characteristics include satisfying national certification standards or comparable membership guidelines established by the Minnesota Council on Foundations, and having a clear impact in Minnesota communities. *Bill Reference: Section 1, Subd. 1 (c)*

Qualifying Contributions
The bill defines qualifying endowment gift as any irrevocable contribution to a permanent endowment held by a qualified community foundation. *Bill Reference: Section 1, Subd. 1 (d)*

Program Administration
The program will be administered by the Department of Employment and Economic Development [DEED], with supportive consultation by the Minnesota Council on Foundations. *Bill Reference: Section 1, Subd. (b) (f) (g) (h)*

For more information visit mcf.org/endowmn or contact Bob Tracy, MCF Director of Government Relations and Public Policy, at btracy@mcf.org or 651.329.1794.