



## HOW IT WORKS (IN WORDS)

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### **Standard Tax Scenario** (assume \$2,500 donation)

1. Donor takes \$2,500 charitable contribution on the federal return
2. State tax liability is reduced by \$2,500 on state return
3. Donor adds back \$2,500 to Georgia AGI as income (get hit for max of 6% on the \$2,500)
4. This results in an approximate maximum "cost" of 6% (on the state return) or a 94% tax benefit

### **AMT Tax Scenario** (assume \$2,500 donation)

1. State tax liability is reduced by \$2,500 on state return
2. Donor takes \$2,500 charitable contribution on the federal return
3. For AMT filers, state tax liability is not deductible on the federal return.
4. Therefore, \$2,500 of non-deductible state tax liability is converted into \$2,500 charitable contribution.
5. In the end, an AMT filer who donates \$2,500 through this program, receives \$700 (28%) in additional tax benefit on their federal return.