



The Commonwealth of Massachusetts

Department of Revenue

Rulings and Regulations Bureau

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February 16, 2018

Kathryn A. McNelis
CDBG/CITC Program Representative
Dept. of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114
Kathryn.swiniarski@state.ma.us

Dear Ms. McNelis,

I am writing in response to your email dated February 2, 2108 asking two questions regarding the community investment tax credit (CITC). You ask if a donation by a taxpayer to a Community Partner from the taxpayer's IRA account would qualify as a "qualified investment" under 830 CMR 62.6M.1. Additionally, you ask if a donor makes a cash contribution that is then matched by a quasi-public or public agency as part of a fundraising campaign involving "matching funds," can the donor claim a CITC refund for the portion of his or her donation, not the overall amount after the match?

In addressing your first question, under section 6M(b) of chapter 62 and section 38EE(b) of chapter 63 of the Massachusetts General Laws and under 830 CMR 62.6M.1(2), a "qualified investment," in relevant part, is defined as a cash contribution, which would include a cash contribution from an IRA account.

In addressing your second question, assuming that all the prerequisites for claiming the CITC are met as discussed in 830 CMR 62.6M.1(3), a donor who makes a qualified investment may claim a credit or refund as specified in subsection (4) of the regulation "equal to 50% of the total qualified investment **made by the taxpayer** for the taxable year," not as made by the taxpayer and subsequently matched as part of a fundraising campaign.

This e-mail response is an "information letter" within the meaning of the Public Written Statements Regulation, 830 CMR 62C.3.1. It is intended to provide general information such as the potential applicability of Department of Revenue public written statements or well-established principles of tax law, but it is not intended to provide authoritative guidance on the application of the tax laws to a specific set of facts. This response is not a "ruling" or "letter ruling" that is legally binding on the Department.

Very truly yours,

Pamela L. Swart

Pamela L. Swart, Tax Counsel
Rulings & Regulations Bureau