



TAX OPINION

CDFA has obtained an opinion of counsel which concludes it is more likely than not contributors to CDFA should be eligible for all three of the following tax benefits:

- (1) A contributor is entitled to a credit against New Hampshire Business Profits Tax ("BPT"), Business Enterprise Tax and taxes imposed on insurance companies under NH RSA 400-A, individually or in combination, in an amount equal to 75% of the contribution made. The credit is to be taken for the tax year in which the CDFA actually receives the contribution and is limited to \$1,000,000 in any given tax year, but any excess amount may be carried forward for 5 succeeding years.
- (2) A contributor is entitled to a charitable contribution deduction for federal tax purposes, subject to the same limitations associated with a contribution to any 501(c)(3) organization that qualifies as a public charity.
- (3) With the exception of a contributor who is an individual doing business as a sole proprietor or through a single member limited liability company, a contributor entitled to a charitable deduction for federal tax purposes receives the benefit of that deduction for New Hampshire Business Profits Tax purposes because "gross business profits," the profit base on which the BPT is based, begins with an amount from the federal income tax return that is already reduced by the federal charitable contribution deduction.

CDFA's opinion of counsel is for the benefit of CDFA only and may not be relied upon by any other party. Contributors should consult with their own tax advisor to determine how the tax rules described above will apply in their own particular case.