

IT 25-0012-GIL 10/16/2025 CREDITS

Contributions under the Illinois Gives Tax Credit Act may be made as qualified charitable distributions from an individual retirement account. (This is a GIL).

October 16, 2025

NAME
COMPANY
ADDRESS

Dear NAME:

This letter is in response to your letter dated September 29, 2025, in which you requested information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at <https://tax.illinois.gov/> to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I have a donor who is wanting to take advantage of the Illinois Gives Tax Credit, and is wondering if they make their donation via QCD into a qualified endowment fund, would they be eligible for the tax credit?

I think it would since the QCD benefit has to do with Federal Income Tax, and the IL Gives Tax Credit is a state income tax benefit, but I'm just not able to find a solid answer anywhere.

I reached out to our Audit firm:

NAME1, TITLE
COMPANY1 | office phone/fax PHONE cell PHONE1
ADDRESS1

October 16, 2025

Here is her response:

I wanted to provide with an update on this. We spoke to the Illinois Department of Revenue and were verbally told that the QCD would qualify for the credit, indicating that they didn't see anything stating it did not. However, the agent was unable to provide us with anything in writing confirming this or provide us with any other written proof. They recommended mailing a letter to the below and requesting a written opinion. I would suggest that you reach out to the Illinois Legal Services Office below with this specific question, so that you would have a written backup going forward. Let me know if you have any questions or if I can help further.

Legal Services Office 5-500
101 West Jefferson Springfield IL 62702

Citing:

35 /LCS 60/170-10

<https://www.ilga.gov/Documents/legislation/ilcs/documents/003500600K170-10.htm>

Bulletin FY 2025-14

<https://tax.illinois.gov/research/publications/bulletins/fy-2025-14.html>

Could you please provide me with a written opinion regarding whether a QCD would qualify for the Illinois Gives Tax Credit? Thank you so much!

DEPARTMENT'S RESPONSE:

The Illinois Gives Tax Credit Act was enacted to allow taxpayers making contributions to a qualified community foundation with a permanent endowment fund to obtain an income tax credit equal to 25% of the endowment gift. 35 ILCS 60/170-10. A taxpayer must apply to the Illinois Department of Revenue (IDOR) for a contribution authorization certificate, and once the contribution is made, the qualified community foundation will issue the taxpayer a certificate of receipt. Under rules adopted by IDOR, the "contribution must be made by the person whose name appears on the contribution authorization certificate. If a check or credit card is used to make a contribution, the name that appears on the check or credit card must be the name of the person whose name appears on the contribution authorization certificate." 86 Ill. Admin. Code 1050.350.

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Qualified charitable distributions (QCDs) from an individual retirement account may be made tax-free if sent directly to a qualified charity. IRS Publication 526. IRA trustees will issue a Form 1099-R documenting the IRA distributions. Donors must obtain a written acknowledgment from the charity showing the contribution date, amount and confirmation that no goods or services were received.

As QCDs are made from an IRA and reported on the taxpayer's federal income tax return, they will be considered to meet the provisions of 86 Ill. Admin. Code 1050.350, provided the contribution authorization certificate was issued in the name of the IRA account holder.

I hope this information is helpful. If you require additional information, please visit our website at <https://tax.illinois.gov/> or contact the Department's Taxpayer Information Division at 800-732-8866.

Very truly yours,

Brian Fliflet
Deputy General Counsel
Legal Services Office

BF:slc