

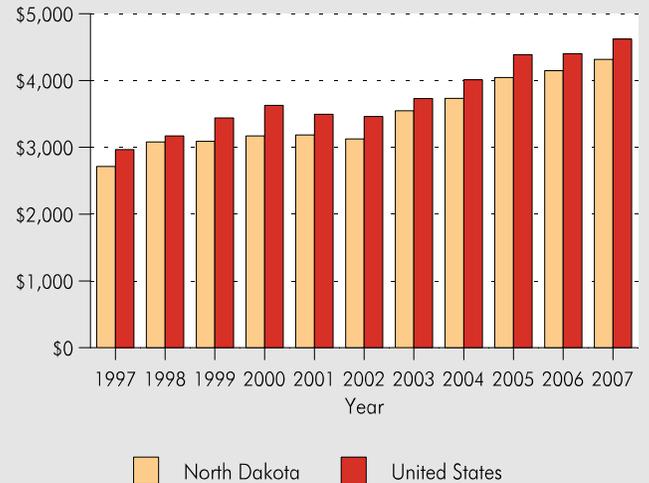
Charitable Giving Reported on Federal Individual Income Tax Returns for North Dakota: 2007

One method of portraying the charitable nature of North Dakotans is by looking at itemized deductions on Internal Revenue Service (IRS) individual income tax returns. The IRS publishes aggregate state data (including tax deductible contributions or donations) from individual income tax returns at www.irs.gov.

Tax deductible charitable contributions reported by individual North Dakotans totaled \$219.9 million in 2007 compared with \$206.2 million in 2006, an increase of 7 percent. For North Dakota, federal individual income tax returns with contributions as itemized deductions showed contributions averaging \$4,316 per return in 2007, a 4 percent increase from \$4,148 in 2006. Nationally, average charitable contributions increased to \$4,623 in 2007, which is up from \$4,403 in 2006 (Figure 1).

According to 2007 tax data, 19 percent of North Dakota taxpayers chose to *itemize deductions* (second lowest percentage among states) (Table 1). A mortgage is one of the primary reasons for itemizing deductions and 32 percent of households in North Dakota were owner-occupied with a mortgage in 2007, which is the second lowest proportion among states. This helps explain why the majority of North Dakota taxpayers take the *standard deduction*. For these taxpayers, no details on donations are available through the Internal Revenue Service.

Figure 1. Average Charitable Contribution Per Federal Individual Income Tax Return with Charitable Contributions in ND and U.S.



Source: U.S. Internal Revenue Service, Statistics of Income Division, <http://www.irs.gov/taxstats/article/0,,id=171535,00.html>

Figure 2. Average Charitable Contribution Per Federal Individual Income Tax Return with Charitable Contributions: 2007

Source: U.S. Internal Revenue Service, Statistics of Income Division, <http://www.irs.gov/taxstats/article/0,,id=171535,00.html>

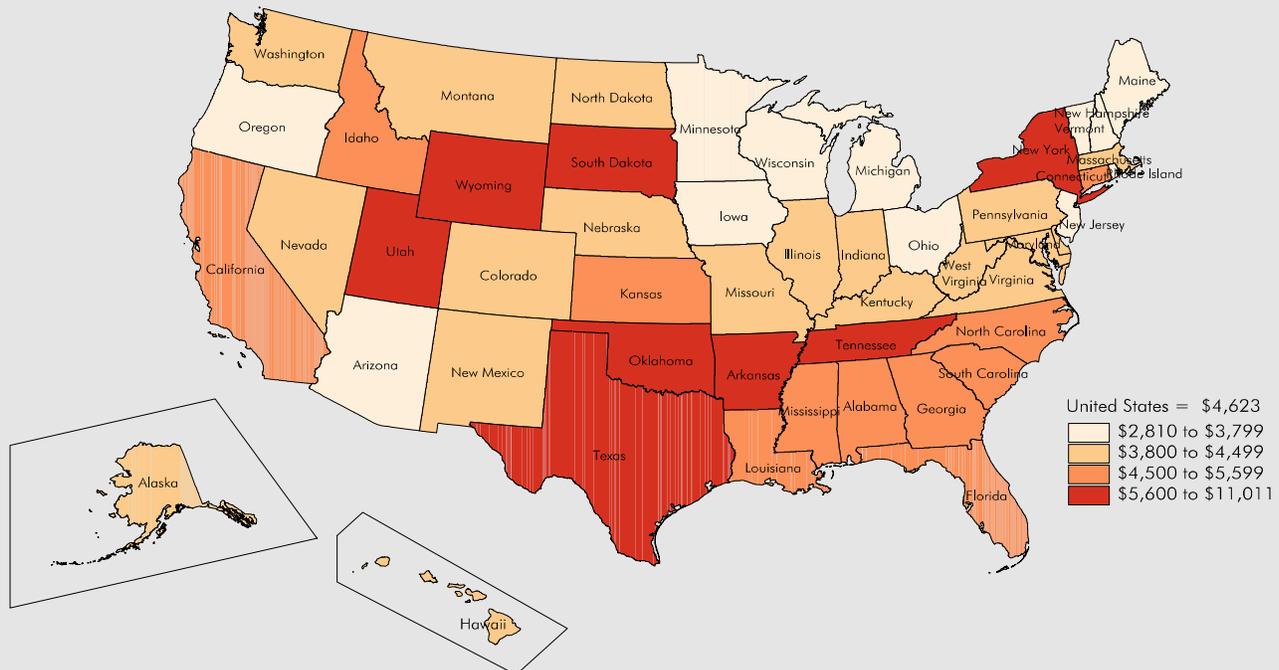


Table 1. Select Data from Federal Individual Income Tax Returns by State: 2007

Source: U.S. Internal Revenue Service, Statistics of Income Division, <http://www.irs.gov/taxstats/article/0,,id=171535,00.html>

Area	Federal Individual Income Tax Returns							
	Total	With Standard Deduction	With Itemized Deductions					
			Total		With Charitable Contributions			
			Number	Percent of All Individual Income Tax Returns	Number	Percent of Tax Returns with Itemized Deductions	Total Amount (\$1,000)	Average Contribution Per Return with Charitable Contributions
United States	154,707,511	103,476,579	51,230,932	33.1%	41,087,977	80.2%	189,952,068	\$4,623
Alabama	2,353,773	1,701,650	652,123	27.7%	557,604	85.5%	3,036,494	\$5,446
Alaska	370,608	273,789	96,819	26.1%	71,437	73.8%	311,351	\$4,358
Arizona	2,898,544	1,836,614	1,061,930	36.6%	845,708	79.6%	3,206,300	\$3,791
Arkansas	1,392,997	1,078,338	314,659	22.6%	249,094	79.2%	1,490,051	\$5,982
California	17,601,109	11,104,200	6,496,909	36.9%	5,166,814	79.5%	24,547,592	\$4,751
Colorado	2,455,161	1,480,464	974,697	39.7%	774,521	79.5%	3,313,407	\$4,278
Connecticut	1,868,063	1,075,802	792,261	42.4%	661,335	83.5%	3,179,643	\$4,808
Delaware	454,863	291,934	162,929	35.8%	133,912	82.2%	537,812	\$4,016
Dist. of Columbia	316,370	190,600	125,770	39.8%	103,784	82.5%	806,405	\$7,770
Florida	9,688,136	6,639,871	3,048,265	31.5%	2,311,434	75.8%	11,696,189	\$5,060
Georgia	4,560,422	2,879,853	1,680,569	36.9%	1,398,498	83.2%	6,846,636	\$4,896
Hawaii	694,035	470,610	223,425	32.2%	181,705	81.3%	723,622	\$3,982
Idaho	722,486	480,581	241,905	33.5%	190,651	78.8%	889,073	\$4,663
Illinois	6,559,358	4,307,206	2,252,152	34.3%	1,835,250	81.5%	7,857,237	\$4,281
Indiana	3,243,323	2,306,032	937,291	28.9%	727,554	77.6%	3,077,544	\$4,230
Iowa	1,538,656	1,078,719	459,937	29.9%	371,831	80.8%	1,399,768	\$3,765
Kansas	1,401,460	979,791	421,669	30.1%	343,761	81.5%	1,716,849	\$4,994
Kentucky	2,137,383	1,547,585	589,798	27.6%	474,606	80.5%	1,895,879	\$3,995
Louisiana	2,146,273	1,679,832	466,441	21.7%	362,514	77.7%	1,730,360	\$4,773
Maine	729,634	519,117	210,517	28.9%	158,546	75.3%	479,712	\$3,026
Maryland	2,942,776	1,541,469	1,401,307	47.6%	1,172,701	83.7%	5,203,305	\$4,437
Massachusetts	3,461,517	2,116,851	1,344,666	38.8%	1,100,992	81.9%	4,680,168	\$4,251
Michigan	5,022,234	3,297,602	1,724,632	34.3%	1,421,642	82.4%	5,321,901	\$3,743
Minnesota	2,734,017	1,647,434	1,086,583	39.7%	906,845	83.5%	3,432,196	\$3,785
Mississippi	1,440,588	1,122,637	317,951	22.1%	261,966	82.4%	1,459,741	\$5,572
Missouri	3,010,549	2,107,675	902,874	30.0%	707,434	78.4%	3,012,875	\$4,259
Montana	513,585	360,331	153,254	29.8%	118,631	77.4%	456,186	\$3,845
Nebraska	918,101	645,966	272,135	29.6%	226,808	83.3%	1,004,289	\$4,428
Nevada	1,347,663	866,311	481,352	35.7%	368,436	76.5%	1,422,593	\$3,861
New Hampshire	723,686	469,601	254,085	35.1%	192,505	75.8%	655,389	\$3,405
New Jersey	4,576,940	2,618,268	1,958,672	42.8%	1,652,791	84.4%	5,868,829	\$3,551
New Mexico	980,234	730,468	249,766	25.5%	189,400	75.8%	750,269	\$3,961
New York	9,919,336	6,393,465	3,525,871	35.5%	3,006,477	85.3%	17,153,854	\$5,706
North Carolina	4,601,888	3,048,266	1,553,622	33.8%	1,298,856	83.6%	5,885,180	\$4,531
North Dakota	343,631	277,532	66,099	19.2%	50,949	77.1%	219,895	\$4,316
Ohio	6,119,067	4,185,643	1,933,424	31.6%	1,497,458	77.5%	5,284,771	\$3,529
Oklahoma	1,772,353	1,294,975	477,378	26.9%	383,288	80.3%	2,678,622	\$6,989
Oregon	1,911,229	1,178,399	732,830	38.3%	575,681	78.6%	2,148,129	\$3,731
Pennsylvania	6,697,189	4,689,124	2,008,065	30.0%	1,652,101	82.3%	6,778,703	\$4,103
Rhode Island	568,249	369,285	198,964	35.0%	164,582	82.7%	462,541	\$2,810
South Carolina	2,256,719	1,582,454	674,265	29.9%	569,590	84.5%	2,789,583	\$4,898
South Dakota	417,180	336,842	80,338	19.3%	62,349	77.6%	486,757	\$7,807
Tennessee	3,161,852	2,402,237	759,615	24.0%	607,454	80.0%	3,811,191	\$6,274
Texas	11,278,559	8,506,415	2,772,144	24.6%	2,160,102	77.9%	12,856,691	\$5,952
Utah	1,189,776	719,629	470,147	39.5%	400,934	85.3%	3,103,904	\$7,742
Vermont	344,889	242,732	102,157	29.6%	75,439	73.8%	259,869	\$3,445
Virginia	4,016,297	2,443,466	1,572,831	39.2%	1,276,884	81.2%	5,480,153	\$4,292
Washington	3,371,086	2,175,057	1,196,029	35.5%	927,239	77.5%	4,075,931	\$4,396
West Virginia	926,428	774,585	151,843	16.4%	110,358	72.7%	460,951	\$4,177
Wisconsin	2,957,858	1,885,498	1,072,360	36.3%	853,765	79.6%	2,734,793	\$3,203
Wyoming	284,489	216,261	68,228	24.0%	47,092	69.0%	518,508	\$11,011

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Tax Deductible Charitable Giving Reported by North Dakotans Up Again in 2007

Donations North Dakotans reported as itemized deductions on individual federal tax returns to charities, humanitarian causes, and public/private institutions including religious organizations, totaled \$220 million in 2007 (latest figures available). That is an increase of \$14 million (7 percent) from the \$206 million in 2006. This growth follows a similar increase of \$10 million (5 percent) the year before (\$196 million in 2005 to \$206 million in 2006).

"We have seen a consistent increase in charitable contributions from North Dakotans since 2002," said Richard Rathge, Director of the State Data Center.

This month's "Economic Brief," a monthly publication from the North Dakota State Data Center at North Dakota State University, focuses on the charitable nature of North Dakotans by looking at charitable contributions reported as itemized deductions on federal individual income tax returns.

The Internal Revenue Service (IRS) publishes aggregate state data (including tax-deductible contributions or donations) from individual tax returns filed the previous calendar year. There are two important limitations to consider when using IRS data to explore trends in donations or charitable giving within North Dakota.

First, only a small number of North Dakotans itemize their deductions on their federal individual income tax return. According to 2007 tax data, 19 percent of North Dakota taxpayers chose to itemize deductions on their tax returns (second lowest percentage among states). A mortgage is one of the primary reasons for itemizing deductions and 32 percent of households in North Dakota were owner-occupied with a mortgage in 2007, which is the second lowest proportion among all 50 states.

Second, itemized deductions only capture giving that is tax deductible. Because of these limitations, one should be cautious in using IRS data to draw conclusions regarding how much North Dakotans donate and how our state compares with other states. However, the IRS database is one of the few uniform means of tracking contributions during a time period and by state.

For North Dakota, individual federal income tax returns with contributions as itemized deductions showed contributions averaging \$4,316 per return in 2007, a 4 percent increase from \$4,148 in 2006. Nationally, average charitable contributions increased to \$4,623 in 2007, which is up from \$4,403 in 2006.

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