

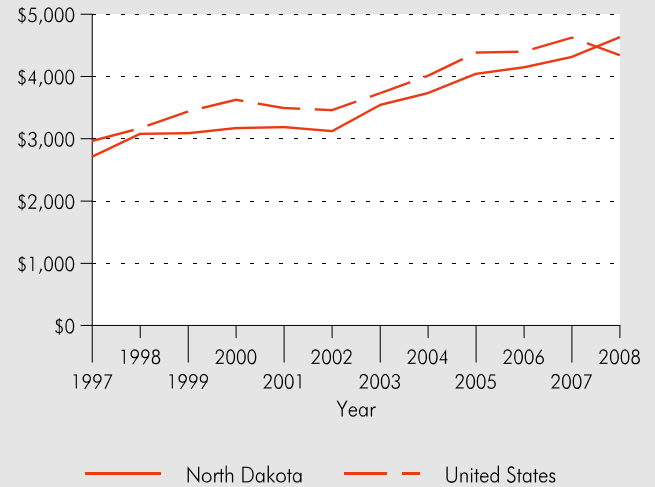
Charitable Giving Reported on Federal Individual Income Tax Returns for North Dakota: 2008

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 <http://www.irs.gov>.

Tax deductible charitable contributions reported by individual North Dakotans totaled \$226 million in 2008 compared with \$220 million in 2007, an increase of 3 percent. In North Dakota, federal individual income tax returns with contributions as itemized deductions showed average contributions of \$4,632 per return in 2008, a 7 percent increase from \$4,316 in 2007. Nationally, average charitable contributions decreased to \$4,343 in 2008, which is down 6 percent from \$4,623 in 2007 (Figure 1).

According to 2008 tax data, 20 percent of North Dakota taxpayers chose to *itemize deductions* (third lowest percentage among states) (Table 1). A mortgage is one of the primary reasons for itemizing deductions and 37 percent of households in North Dakota were owner-occupied with a mortgage in 2008, 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: 2008

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

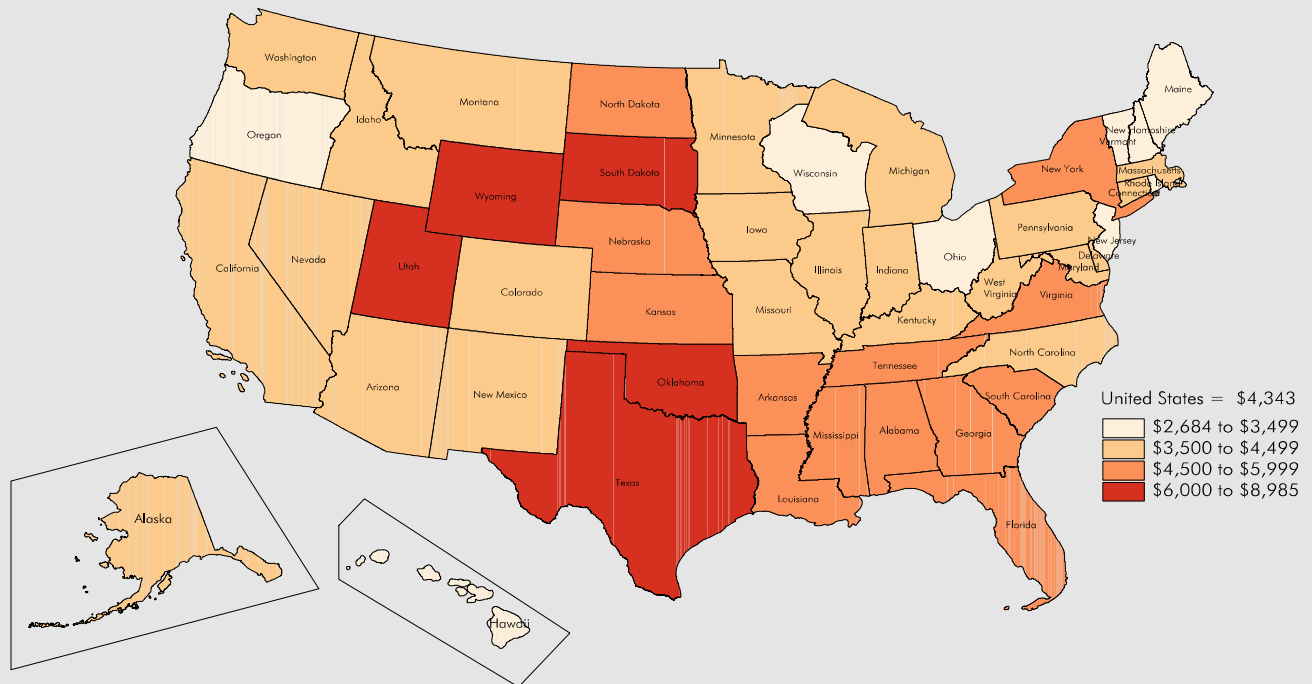


Table 1. Select Data from Federal Individual Income Tax Returns by State: 2008

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	143,490,468	94,415,943	49,074,525	34.2%	39,234,603	79.9%	170,397,030	\$4,343
Alabama	2,076,195	1,447,721	628,474	30.3%	538,376	85.7%	2,907,748	\$5,401
Alaska	359,709	267,035	92,674	25.8%	67,762	73.1%	303,335	\$4,476
Arizona	2,714,182	1,706,105	1,008,077	37.1%	804,083	79.8%	2,911,699	\$3,621
Arkansas	1,223,637	917,176	306,461	25.0%	240,621	78.5%	1,316,052	\$5,469
California	16,478,215	10,239,126	6,239,089	37.9%	4,967,513	79.6%	20,776,981	\$4,183
Colorado	2,340,854	1,401,867	938,987	40.1%	746,707	79.5%	2,981,795	\$3,993
Connecticut	1,742,470	972,174	770,296	44.2%	640,064	83.1%	2,617,357	\$4,089
Delaware	425,490	269,052	156,438	36.8%	127,936	81.8%	465,458	\$3,638
Dist. of Columbia	302,531	177,609	124,922	41.3%	102,065	81.7%	647,266	\$6,342
Florida	8,875,483	6,087,924	2,787,559	31.4%	2,115,676	75.9%	9,595,514	\$4,535
Georgia	4,255,054	2,643,391	1,611,663	37.9%	1,337,944	83.0%	6,177,409	\$4,617
Hawaii	656,452	440,560	215,892	32.9%	174,943	81.0%	568,517	\$3,250
Idaho	666,723	436,470	230,253	34.5%	180,983	78.6%	812,603	\$4,490
Illinois	6,112,426	3,966,298	2,146,128	35.1%	1,742,363	81.2%	7,122,920	\$4,088
Indiana	3,019,320	2,165,883	853,437	28.3%	667,684	78.2%	2,732,885	\$4,093
Iowa	1,415,088	976,090	438,998	31.0%	352,769	80.4%	1,296,071	\$3,674
Kansas	1,328,944	923,035	405,909	30.5%	329,610	81.2%	1,568,362	\$4,758
Kentucky	1,869,439	1,310,397	559,042	29.9%	449,794	80.5%	1,812,621	\$4,030
Louisiana	1,983,957	1,497,727	486,230	24.5%	374,131	76.9%	2,112,481	\$5,646
Maine	633,674	436,151	197,523	31.2%	147,713	74.8%	401,652	\$2,719
Maryland	2,776,026	1,406,209	1,369,817	49.3%	1,139,950	83.2%	4,692,573	\$4,116
Massachusetts	3,197,925	1,907,072	1,290,853	40.4%	1,053,528	81.6%	3,756,888	\$3,566
Michigan	4,626,365	3,044,587	1,581,778	34.2%	1,308,430	82.7%	4,693,359	\$3,587
Minnesota	2,569,679	1,526,620	1,043,059	40.6%	871,150	83.5%	3,296,108	\$3,784
Mississippi	1,254,942	946,626	308,316	24.6%	253,161	82.1%	1,465,747	\$5,790
Missouri	2,739,220	1,885,161	854,059	31.2%	668,070	78.2%	2,809,988	\$4,206
Montana	477,153	330,636	146,517	30.7%	112,006	76.4%	478,203	\$4,269
Nebraska	857,622	599,162	258,460	30.1%	214,816	83.1%	1,006,354	\$4,685
Nevada	1,272,433	817,903	454,530	35.7%	348,459	76.7%	1,288,847	\$3,699
New Hampshire	668,971	427,665	241,306	36.1%	181,596	75.3%	505,162	\$2,782
New Jersey	4,304,848	2,394,426	1,910,422	44.4%	1,603,221	83.9%	5,339,928	\$3,331
New Mexico	923,431	682,718	240,713	26.1%	181,343	75.3%	689,765	\$3,804
New York	9,203,531	5,780,783	3,422,748	37.2%	2,898,617	84.7%	13,732,048	\$4,737
North Carolina	4,180,091	2,689,886	1,490,205	35.7%	1,243,575	83.4%	5,362,329	\$4,312
North Dakota	322,761	258,354	64,407	20.0%	48,842	75.8%	226,230	\$4,632
Ohio	5,562,764	3,772,083	1,790,681	32.2%	1,389,166	77.6%	4,676,403	\$3,366
Oklahoma	1,605,411	1,156,047	449,364	28.0%	358,546	79.8%	2,601,635	\$7,256
Oregon	1,753,860	1,050,411	703,449	40.1%	550,238	78.2%	1,923,099	\$3,495
Pennsylvania	6,130,055	4,224,740	1,905,315	31.1%	1,555,509	81.6%	5,777,794	\$3,714
Rhode Island	510,709	321,160	189,549	37.1%	156,554	82.6%	420,237	\$2,684
South Carolina	2,047,201	1,399,362	647,839	31.6%	545,131	84.1%	2,561,013	\$4,698
South Dakota	389,575	313,430	76,145	19.5%	58,638	77.0%	417,092	\$7,113
Tennessee	2,842,898	2,130,336	712,562	25.1%	569,522	79.9%	3,380,243	\$5,935
Texas	10,792,258	8,039,719	2,752,539	25.5%	2,133,054	77.5%	13,659,860	\$6,404
Utah	1,145,303	691,298	454,005	39.6%	386,270	85.1%	2,848,749	\$7,375
Vermont	320,162	222,738	97,424	30.4%	71,301	73.2%	247,162	\$3,466
Virginia	3,727,792	2,196,278	1,531,514	41.1%	1,241,408	81.1%	5,676,536	\$4,573
Washington	3,185,705	2,039,800	1,145,905	36.0%	885,819	77.3%	3,614,626	\$4,081
West Virginia	785,966	637,790	148,176	18.9%	106,311	71.7%	457,093	\$4,300
Wisconsin	2,767,859	1,746,285	1,021,574	36.9%	811,370	79.4%	2,453,821	\$3,024
Wyoming	274,041	206,048	67,993	24.8%	45,845	67.4%	411,919	\$8,985

Date of Release: November 16, 2010

Tax Deductible Charitable Giving Reported by North Dakotans Up Again in 2008

In North Dakota, itemized deductions on individual federal tax returns included \$226 million in donations to charities, humanitarian causes, and public/private institutions including religious organizations in 2008 (latest figures available). That is an increase of \$6 million (3 percent) from \$220 million in 2007. This growth follows a slightly larger increase of \$14 million (7 percent) the year before from \$206 million in 2006.

“North Dakota’s charitable giving continued to rise through 2008, in spite of the recession that was occurring. Nationally, the average contribution started declining in 2007,” 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.

For North Dakota, individual federal income tax returns with contributions as itemized deductions showed contributions averaging \$4,632 per return in 2008, a 7 percent increase from \$4,316 in 2007. Nationally, average charitable contributions decreased to \$4,343 in 2008, which is down from \$4,623 in 2007.

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 2008 tax data, 20 percent of North Dakota taxpayers chose to itemize deductions on their tax returns (third lowest percentage among states). A mortgage is one of the primary reasons for itemizing deductions and 37 percent of households in North Dakota were owner-occupied with a mortgage in 2008, 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 over time and by state.

North Dakota State Data Center

North Dakota State University - IACC Building, Room 424
PO Box 6050, Dept. 8000
 Fargo, North Dakota 58108-6050
 Ph: (701) 231-7980 Fax: (701) 231-9730

For more information, contact:

Dr. Richard Rathge, Director
(701) 231-8621
richard.rathge@ndsu.edu

Karen Olson, Information Specialist
(701) 231-1060
k.olson@ndsu.edu

View publication online at:
<http://www.ndsu.edu/sdc/publications.htm>