



**PLANNED GIFT TAX CREDIT**  
OFFICE OF STATE TAX COMMISSIONER  
SFN 28705 (12-2020)



**Schedule ND-1PG**

**2020**

Attach to Form ND-1

|                         |                             |
|-------------------------|-----------------------------|
| Name(s) Shown On Return | Your Social Security Number |
|-------------------------|-----------------------------|

► If you are only carrying over an unused credit from 2017, 2018, or 2019, skip lines 1 through 7, and go to line 8.

**North Dakota qualified nonprofit organization**

|                                          |       |          |                               |                                             |       |          |
|------------------------------------------|-------|----------|-------------------------------|---------------------------------------------|-------|----------|
| Name Of Qualified Nonprofit Organization |       |          | Border<br>State Org.<br><br>○ | Name Of Administering Entity, If Applicable |       |          |
| Address                                  |       |          |                               | Address                                     |       |          |
| City                                     | State | ZIP Code |                               | City                                        | State | ZIP Code |

**Qualified planned gift**

1. Planned gift was given to: ☐ Qualified nonprofit organization  
☐ Qualified endowment fund. Enter name of fund ► \_\_\_\_\_
2. Identify the method used to make the planned gift. See the instructions for the eligibility criteria. (Fill in the applicable circle)  

|                                                          |                                                     |                                                        |
|----------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------|
| <input type="radio"/> Charitable remainder unitrust      | <input type="radio"/> Charitable gift annuity       | <input type="radio"/> Deferred charitable gift annuity |
| <input type="radio"/> Charitable remainder annuity trust | <input type="radio"/> Charitable lead unitrust      | <input type="radio"/> Charitable life estate           |
| <input type="radio"/> Pooled income fund trust           | <input type="radio"/> Charitable lead annuity trust | <input type="radio"/> Paid-up life insurance policy    |
3. Date on which qualified planned gift was completed ----- 3 \_\_\_\_\_  
(MM/DD/YYYY)

► Attach a letter from the qualified nonprofit organization indicating its I.R.C. § 501(c) status, the planned gift method used, the date and amount of the planned gift, and, if applicable, the name of the qualified endowment fund.

**Calculation of credit**

4. Charitable contribution portion of planned gifts completed in 2020 tax year ----- 4 \_\_\_\_\_
5. If married filing jointly, enter \$50,000; otherwise, enter \$25,000 ----- 5 \_\_\_\_\_
6. Amount of contribution eligible for credit. Enter smaller of line 4 or line 5 ----- 6 \_\_\_\_\_
7. 2020 credit. Multiply line 6 by 40% (.40) ----- 7 \_\_\_\_\_
8. Unused credit carryover, if any, from prior tax year(s) ----- 8 \_\_\_\_\_
9. Total available credit. Add lines 7 and 8 ----- 9 \_\_\_\_\_
10. Amount of line 9 used to reduce tax in 2020. See instructions. Enter this amount on  
Schedule ND-1TC, line 5 ----- 10 \_\_\_\_\_
11. Unused credit carryover to 2021 ----- 11 \_\_\_\_\_

**Adjustment to North Dakota taxable income**

- If you claimed the standard deduction on your 2020 Form 1040 or 1040-SR, line 12, do not complete lines 12 through 15.
- If you claimed itemized deductions on your 2020 Form 1040 or 1040-SR, line 12, complete lines 12 through 15. However, if there's an amount on line 7 of this schedule and you are also claiming an endowment fund credit on Schedule ND-1QEC, line 5, or from a North Dakota Schedule K-1, do not complete lines 12 through 15; instead, see the instructions for Form ND-1, line 4.
12. Did you deduct the contribution (on line 4 of this schedule) as a charitable contribution on Schedule A (Form 1040 or 1040-SR)?  
☐ **No.** Stop here; no adjustment is required based on your 2020 contribution.  
☐ **Yes.** Enter the amount from Schedule A (Form 1040 or 1040-SR), line 17 ----- 12 \_\_\_\_\_
  13. Enter the **federal standard deduction** that you would have been allowed on your 2020 Form 1040 or 1040-SR, line 12, had you not itemized deductions on Schedule A (Form 1040 or 1040-SR) - see instructions ----- 13 \_\_\_\_\_
  14. Subtract line 13 from line 12. If result is less than zero, enter -0- ----- 14 \_\_\_\_\_
  15. Enter the smaller of line 6, line 14, or the portion of the amount on line 4 of this schedule allowed as a deduction on your Schedule A (Form 1040 or 1040-SR). Enter this amount on Form ND-1, line 4 ----- 15 \_\_\_\_\_

## General instructions

An individual is allowed an income tax credit for making a qualified planned gift to a qualified nonprofit organization or a qualified endowment fund. *See the instructions to line 2 for what is a qualified planned gift.*

The credit must be claimed first in the tax year in which the planned gift is made. The unused portion of a credit for a planned gift made in the 2020 tax year may be carried forward for up to three tax years.

**Qualified nonprofit organization.** A qualified nonprofit organization means an organization that meets either of the following sets of criteria:

- **North Dakota-based organization.**  
An organization is a qualified nonprofit organization if it:
  1. Is incorporated in North Dakota, or has an established location in North Dakota;
  2. Is tax-exempt under I.R.C. § 501(c); and
  3. Is a charitable donee organization as defined under I.R.C. § 170.
- **Border state organization.** An organization is a qualified nonprofit organization if it:
  1. Is tax-exempt under I.R.C. § 501(c);
  2. Is a charitable donee organization as defined under I.R.C. § 170.
  3. Supports or benefits a hospital, nursing home, or medical center, or any combination of these;
  4. Is located outside North Dakota; and
  5. Is located within five miles of a North Dakota city with a population of 5,000 or more that does not have a hospital.

**Qualified endowment fund.** A qualified endowment fund means a permanent, irrevocable fund that meets all of the following:

1. It is held by a qualified nonprofit organization (*defined above*) or by a bank or trust company on behalf of a qualified nonprofit organization.
2. It is comprised of cash, securities, mutual funds, or other investment assets.
3. It is established for a specific religious, educational, or other charitable purpose.
4. It may expend only the income generated by, or the increase in value of, the assets contributed to it.

## Specific line instructions

### North Dakota qualified nonprofit organization

Enter the name and address of the North Dakota qualified nonprofit organization. This applies regardless of whether the planned gift was made to the qualified nonprofit organization itself or to a qualified endowment fund held by the qualified nonprofit organization. If a bank, trust company, or other entity holds and administers the planned gift assets or qualified endowment fund on behalf of the qualified nonprofit organization, also enter the name and address of that entity.

If the qualified nonprofit organization is a border state organization, fill in the circle next to the organization's name.

### Line 2

Fill in the circle next to the type of qualified planned gift on which the tax credit is based. To qualify for the credit, the qualified planned gift must consist of an irrevocable charitable contribution that was made using one of the following gifting methods:

**Charitable remainder unitrust**—To qualify, both of the following must apply:

1. The trust must be a trust defined under I.R.C. § 664(d)(2).
2. The trust agreement must contain a provision stating that the trust may not terminate and that the beneficiary's interest in the trust may not be given to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the beneficiary or (b) the date that is five years after the date of the contribution.

**Charitable remainder annuity trust**—To qualify, both of the following must be met:

1. The trust must be a trust defined under I.R.C. § 664(d)(1).
2. The trust agreement must contain a provision stating that the trust may not terminate and that the beneficiary's interest in the trust may not be given to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the beneficiary or (b) the date that is five years after the date of the contribution.

**Pooled income fund**—To qualify, the trust must be a trust defined under I.R.C. § 642(c)(5).

**Charitable gift annuity**—To qualify, both of the following must be met:

1. The annuity must be a qualified charitable gift annuity as defined for federal income tax purposes.
2. The annuity contract must contain a provision that states the annuitant's interest in the gift annuity may not be assigned to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the annuitant or (b) the date that is five years after the date of the contribution.

**Charitable lead unitrust**—To qualify, the arrangement must satisfy the requirements of I.R.C. § 170(f)(2)(B).

**Charitable lead annuity trust**—To qualify, the arrangement must satisfy the requirements of I.R.C. § 170(f)(2)(B).

**Deferred charitable gift annuity**—To qualify, all of the following must be met:

1. The annuity must be a qualified charitable gift annuity as defined for federal income tax purposes.
2. The annuity contract must contain a provision that requires the payment of the annuity to begin within the life expectancy of the annuitant or, if more than one annuitant, the joint life expectancies of the annuitants using the actuarial tables applicable to determining the federal charitable income tax deduction on the date of the contribution.
3. The annuity contract must contain a provision that states the annuitant's interest in the gift annuity may not be assigned to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the annuitant or (b) the date that is five years after the date of the contribution.

**Charitable life estate agreement**—To qualify, the agreement must satisfy the requirements of I.R.C. § 170(f)(3)(B).

**Paid-up life insurance policy**—To qualify, both of the following must be met:

1. The policy must be a paid-up policy, i.e., all premiums for the policy have been paid, with no more premiums due in the future.
2. The gift of the policy qualifies as a charitable contribution under I.R.C. § 170.

**Line 4**

Enter the portion of all qualified planned gifts completed in 2020 for which a charitable contribution deduction is allowed in 2020 for federal income tax purposes.

**Line 8**

Enter the allowable portion of an unused planned gift credit, if any, based on gifts made in the 2017 through 2019 tax years that is being carried over to the 2020 tax year.

**Line 10**

Enter on this line only that portion of the available credit on line 9 that is used to reduce the 2020 tax liability. For example, if the available credit on line 9 is \$1,000, but only \$400 is needed to reduce the tax liability to zero, enter \$400 on line 10.

**Line 11**

Enter the portion of an unused planned gift credit, if any, based on gifts made in the 2018 through 2020 tax years that is being carried over to the 2021 tax year.

**Line 13**

To determine the amount of the federal standard deduction to enter on this line, see the instructions to the 2020 Form 1040 or 1040-SR, line 12.