

REVENUE ESTIMATING CONFERENCE

Revenue Source: Corporate Income Tax

Issue: Charitable Trust Exclusion

Bill Number(s): [Proposed Language](#)

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s): n/a

Month/Year Impact Begins: July 1, 2025

Date(s) Conference Reviewed: 04/04/2025

Section 1: Narrative

a. Current Law: Under current law Charitable Trusts are liable to pay CIT.

b. Proposed Change: the proposed language excludes charitable trusts from CIT.

Section 2: Description of Data and Sources

DOR internal discussions

Workpapers from the March 14, 2025 General Revenue Estimating Conference

Section 3: Methodology (Include Assumptions and Attach Details)

The proposed language would exclude charitable trusts from CIT beginning July 1, 2025. Charitable trusts generally pay CIT when the 990T tax form is filed federally, however the data available concerning charitable trusts in the state is limited and as such specific tax liability information on these trusts was not available. The language will pull entities out of CIT and the scope of activity being removed is unknown, leading to a negative indeterminate impact.

Based on name matching, a set of charitable trusts were identified. Liabilities were aggregated across the group and grown using the CIT growth rates from the latest General Revenue Estimating Conference. This is presented as the low, as it likely does not capture the full set of charitable trusts. The middle is 5 times this.

Section 4: Proposed Revenue Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2025-26	(**)	(**)	\$(1.1 M)	\$(1.1 M)	\$(0.2 M)	\$(0.2 M)
2026-27	(**)	(**)	\$(1.1 M)	\$(1.1 M)	\$(0.2 M)	\$(0.2 M)
2027-28	(**)	(**)	\$(1.2 M)	\$(1.2 M)	\$(0.2 M)	\$(0.2 M)
2028-29	(**)	(**)	\$(1.2 M)	\$(1.2 M)	\$(0.2 M)	\$(0.2 M)
2029-30	(**)	(**)	\$(1.2 M)	\$(1.2 M)	\$(0.2 M)	\$(0.2 M)

Revenue Distribution:

Section 5: Consensus Estimate (Adopted: 04/04/2025) The Conference adopted the middle estimate.

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2025-26	(1.1)	(1.1)	0.0	0.0	0.0	0.0	(1.1)	(1.1)
2026-27	(1.1)	(1.1)	0.0	0.0	0.0	0.0	(1.1)	(1.1)
2027-28	(1.2)	(1.2)	0.0	0.0	0.0	0.0	(1.2)	(1.2)
2028-29	(1.2)	(1.2)	0.0	0.0	0.0	0.0	(1.2)	(1.2)
2029-30	(1.2)	(1.2)	0.0	0.0	0.0	0.0	(1.2)	(1.2)

	Identified Charitable Trusts
2024	(224,655)

Multiplier:	5
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	CIT growth rates	Middle	Low
23-24	9.0%		
24-25	-1.7%	\$(1.1 M)	\$(0.2 M)
25-26	0.8%	\$(1.1 M)	\$(0.2 M)
26-27	1.5%	\$(1.1 M)	\$(0.2 M)
27-28	2.1%	\$(1.2 M)	\$(0.2 M)
28-29	2.2%	\$(1.2 M)	\$(0.2 M)
29-30	2.2%	\$(1.2 M)	\$(0.2 M)