If the donor owns all stock in the company, the donor's ownership percentage is not lessened by the gift, but cash to make the gift has effectively been provided by the corporation.

In a case where a donor wishes to pass control to another group of people, this gift will serve to lessen the donor's percentage of ownership and increase the relative percentage of ownership by others without incurring a gift tax or estate tax.

The IRS has also ruled, however, that neither the donor nor the corporation may be in a position to compel redemption of the stock (for example, under an agreement entered into before the gift is made). See Revenue Ruling 78-197. The donor will receive a deduction for the full value of the stock. The deduction for the gift is limited to 30 percent of the donor's AGL See IRC section 170(b)(1)(C).

A qualified appraisal is required if the claimed value exceeds $10,000. See Reg. section 1.170A- 13(c)(2)(ii).

Other Information Available

See **www.irs.gov** for a variety of publications and forms including: charitable contributions (#526), non-cash contributions form and instructions (#8283) and determining the value of donated property (#561).

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal documents. Tax deductions vary based on applicable federal rates, which can change. Some opportunities may not be available in all states.