







## **Gifts of Appreciated Securities**

While most charitable gifts are made in the form of cash, important advantage can be possible when gift. are made using other appropriate property that has increased in value. When stocks, bonds, mutual funds, real estate and other appreciated assets are sold, tax is due on any capital gain.

Those who enjoy making charitable gifts are often pleased to learn that when appreciated property that has been held long-term (more than 12 months) is given, an income tax deduction is generally allowed based on the current value of the property rather than its cost. It is usually best to donate property that would be subject to the highest amount of tax if sold.

The combined benefits of bypassing tax on the capital gain, receiving an income tax deduction and making a charitable gift can be substantial.

## **Increasing Retirement Income**

Many of the plans described here can be welcome additions to retirement plans. Assets that have increased in value but yield little income can be used to fund a charitable gift plan that features income benefits.

The payments received from the gift plans described here will generally be based on the full value of donated property, not just what would be left after payment of the tax on gain if the property were sold.

Tax savings will also be enjoyed from the deduction available when the plan was created.

## **Benefits of Planning**

As you can see, through careful planning of charitable gifts, it can be possible to meet multiple goals. By choosing the best property to fund gifts, their timing and the methods used to complete them, you can make larger gifts while minimizing or eliminating federal estate and gift taxes that might otherwise be due. This can be accomplished while preserving, or even enhancing, your financial well-being.

This information is intended as an initial guide to the gift planning process. More information is available on request.

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.