

ENJOY GIVING

Some of us have a hard time writing a check.....you know what I'm talking about. You are reading or listening to a pitch from your favorite charity about their needs. You get out your checkbook before the tears dry, butyour hand is frozen....the funds may or may not be there...or maybe the pen has dried up.....do I really want to do this. Who knows what all this hesitation is about???

Things have gotten easier over the past few months for those who have their savings invested in securities. The stock market has been setting new records and everyone in my world asks me, "How long will this last?" "When are the wheels coming off?" Then some say, "I'd sell, but I don't want to pay tax on my gains."

The easy solution to both of these problems is the gift of appreciated securities to your favorite charity. The gain is not reportable, and the gift is fully deductible as an itemized deduction at the FULL FAIR MARKET VALUE under most circumstances. There are minor restrictions --- you must have held the property for more than one year. And, if your income is too low, you will be limited to a deduction of 50% of your adjusted gross income. BUT, think about the ability to get a big deduction without reporting any of the income. And, if the gift is too big for one year, the excess carries over for 5 years.

Suppose you have a block of stock that you want to sell, but the gain is just too big to sell AND it is just too much money to give away. Nor do you want to give it all to a single charity. How about a deduction now for a gift sometime in the future? This is the world of the charitable remainder trust. With a carefully constructed trust, you can sell the securities without ANY income tax, keep the income, and get a deduction. WOW!

These are good tax deals, good for your own psyche, and good for charity. As my Mom used to say, "John, you need to try it---just once; you'll like it." You will too. Let us help you explore these options.

--John F. Dallavalle CPA, ChFC, CLU