

Give First, or Sell First, Then Give

Scenario A shows the wisest choice.

- (A) The giver donates an appreciated non-cash asset before the sale, thereby taking a \$500,000 income tax deduction and receiving a \$205,000 reduction in taxes.
- (B) The giver sells an appreciated asset first, and then gifts the proceeds to us, thereby taking a \$405,500 income tax deduction and receiving a \$166,255 reduction in taxes.

Scenario	Gift to charity	Gift to gov't *	Income tax deduction	Value of charitable income tax deduction at 41%	Out-of-pocket cost to make the gift
A. Gift asset before sale	\$500,000	\$0	\$500,000	\$205,000	\$295,000
B. Sell asset, then gift proceeds	\$405,500	\$94,500	\$405,500	\$166,255	\$333,745

*Assumptions: 35% Federal, 6% State tax rates, \$50,000 asset basis, \$500,000 fair market value (FMV), donor held asset over one year and gives 100% of interest

So how can we serve you? The Idlewild Foundation would be honored to explore how we can help you give in new, creative, and tax-smart ways. Please call us at (813) 264-8713 today to learn more.