

Giving Business Interests

A case study in tax-smart giving

Jonathan began his company shortly after World War II with \$500 in borrowed funds. Today, the company is worth \$10 million. Every year, Jonathan gives 20% of his income. Therefore, he wishes to give \$2 million to The Idlewild Foundation upon the sale of his business.

If he makes his charitable gift after he sells his business, he must pay capital gains tax of approximately 15%. In order to give \$2 million to charity, he would use approximately \$2.5 million of his stock value, paying the government approximately \$419,000 in tax.

If he donates 20% of his company prior to the sale and allows The Idlewild Foundation to help sell that portion of his company to the buyer of his business, there will be no tax owed on the \$2 million. Thus, Jonathan can give \$419,000 more to spread the Gospel by giving this non-cash gift first, before the sale.



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) 264-8783 today to learn more.