CHM

PLANNED GIVING

Gifts of Appreciated Stock

Appreciated stock is a powerful way to give, either as an outright gift or as funding for a life income gift (charitable remainder trust or gift annuity). Donors qualify for an income tax deduction for the full value of the stock and owe no capital gains tax on an outright gift. Capital gains are spread out over time for life income gifts.

Concept applied:

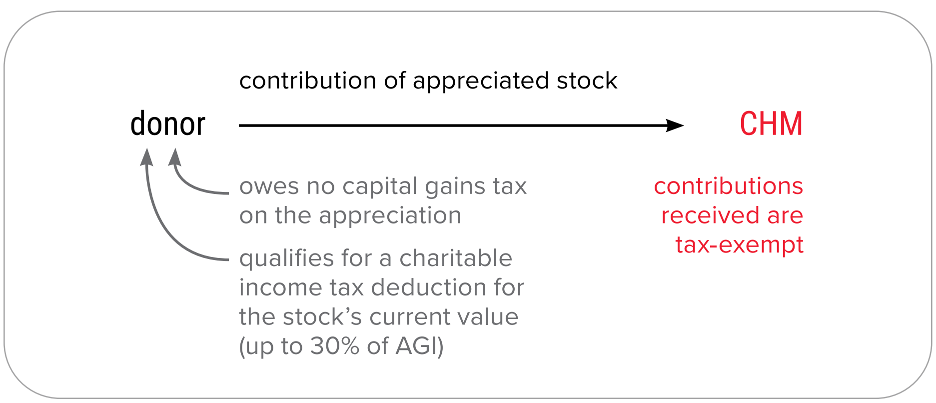
The double tax benefits of a gift of appreciated securities (held for more than one year) allow donors to make the biggest impact for the lowest cost.

How it works:

Ann Boesen wants to make a $10,000 charitable gift. Having met the 0.5% giving floor through other itemized deductions, a cash gift would qualify for a $10,000 deduction. However, if she chooses to give stock worth $10,000 that she purchased years ago for $1,000, she can not only deduct the full $10,000, but she also owes no capital gains tax on the $9,000 appreciation and possibly bypasses an additional 3.8% Medicare surtax on her investment income.

Limitations on deductions:

- Only gift amounts that surpass 0.5% of the donor's adjusted gross income (AGI) qualify for an income tax deduction.
- For donors in the 37% tax bracket, the tax benefit of their deduction will be capped at 35%.
- The maximum deduction for long-term appreciated stock is 30% of the donor's AGI. Any excess deduction can be carried over for up to five years.



Why is it useful?

In addition to reaping double tax benefits, a donor can use a gift of stock to rebalance a portfolio (perhaps reducing overall risk as retirement nears) or increase income (by funding a life income gift).

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CHM: NOW AND INTO THE FUTURE

From the telescope to the printing press to the steam engine, technological revolutions have always transformed the human condition. But never has there been a technological revolution set to change our world in pace, scope, and scale as the one in which we are currently immersed. Nonexistent only a lifetime ago, the forces of change brought on by the computing revolution are permanent, universal, and accelerating at an exponential rate. Great opportunities and great challenges have arisen on a scale never seen before.

This complex present and even more uncertain future requires a new citizenship—one that is equipped with knowledge, inspired by vision, and empowered to take action; one that values problem-solving, critical thinking, and collaboration; one that sets innovation and leadership in pursuit of equitable growth; and one committed to creating a sustainable future and improving the quality of life for this generation and the next.

CHM is in a unique position to empower people as catalysts for change inside our current technological revolution. CHM is using its extensive network and historical expertise amassed over four decades to promote a new citizenship for the digital age, bringing together companies and nonprofits, government leaders and policymakers, scholars and educators—because it will take all of us working together to build the future we envision.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

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