

SAVE ON TAXES WITH

Appreciated Stock Gifts to Donor Advised Funds

If you are looking for a way to maximize the power of your charitable contributions, you may want to consider donating your long-term appreciated securities (stock, bonds, mutual funds, etc.) to your donor advised fund at Truman Heartland Community Foundation. Donating your appreciated securities directly to your fund (instead of selling the security and donating the cash) will reap considerable tax advantages, maximizing the charitable dollars available to grant to the charities you care about.

By donating long-term appreciated securities with unrealized gains directly to your donor advised fund, you can take a deduction of up to 30% of your adjusted gross income for the full fair market value of the securities. Because the securities are donated rather than sold, capital gains taxes do not apply to the capital gains made on the security.

The chart below illustrates how you can maximize your charitable giving dollars while receiving maximum tax advantages when donating long-term appreciated securities.

	Donor gives cash from sale	Donor gives securities to DAF
Current fair market value of stock with \$10K gain	\$10,000	\$10,000
Federal long-term capital gains tax (15%)	\$1,500	-
Net Investment Income tax (NIIT) (3.8%)	\$380	-
MO State tax (4.95%)	\$495	-
Donation Amount	\$10,000	\$10,000
Tax Savings of charitable deduction (36.95%)	(\$3,695)	(\$3,695)
Capital Gains, NIIT, and MO tax paid	\$2,375	-
Net Cash Out of Pocket(Net cost of the gift)	\$8,680	\$6,305

Cash Savings

\$2,375

Gift of \$10,000 of appreciated stock versus sale followed by gift assumptions:

- Married couple filing jointly with total income greater than \$364,200 subject to 3.8% net investment income tax and itemizes deductions before the stock donation
- A federal individual tax rate of 32% and MO tax rate of 4.95%
- Appreciated security with cost basis of \$0 and long-term capital gains of \$10,000

Consult your tax advisor for specific savings based on your personal tax situation.



Truman Heartland
COMMUNITY FOUNDATION



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