

# Year-End Charitable Decisions

The year-end will be here before you know it, but you don't need to rush your charitable giving!



## QUESTIONS TO CONSIDER

With Dec. 31<sup>st</sup> fast approaching, many individuals will start to give more thought to pressing financial issues. One of them may be their charitable giving options. Here are five questions to consider.

- 1. Have you sold a business, inherited property, or otherwise experienced a change in circumstances that could have tax implications?**
- 2. Do you find yourself in the fortunate position of holding highly appreciated stock or real estate assets?**
- 3. Do you feel you don't have enough time to consider properly which organizations you would like to support?**
- 4. Is this the year for you to create a lasting legacy by planning for an estate gift or by establishing an endowment?**
- 5. Have you thought about opening a fund at the Community Foundation of North Central Massachusetts?**

### REDUCE THE COST OF YOUR GIFT\*

Federal tax law permits taxpayers who itemize to deduct the current market value of contributed stock from their adjusted gross income.

For example, Sally and Jim purchased stock more than 18 months ago for \$400 and it is now worth \$2,000.

In the case of Sally and Jim, assuming their stock experienced a \$1,600 gain (\$2,000 - \$400 (original cost) = \$1,600 gain), they would need to pay a \$240 capital gain tax (\$1,600 x 15% = \$240) were the stock sold.

By giving the stock through the Community Foundation, their gift would eliminate the need to pay the capital gains tax and receive the income tax deduction, assuming they are in the 28% tax bracket.

	Gift of Cash	Gift of Securities
Value of Gift	\$2,000	\$2,000
Income Tax Savings	(\$560)	(\$560)
Capital Gains Tax Savings	\$0	(\$240)
"Cost" of Gift	\$1,440	\$1,200

\*This example is provided for illustrative purposes only. Please consult your personal tax advisor regarding the tax implications of your gift.



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There's so much more we'd like you to know about how your Community Foundation can help you achieve your charitable goals. We welcome the opportunity to work with you. Contact Linda Mack, Vice President for Development and Donor Services, 978.345.8383, ext., 321 or [lmack@cfncm.org](mailto:lmack@cfncm.org).