# More Ways to Give

## Gifts Of Appreciated Assets

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**The gift of an appreciated asset, often common stock or mutual fund shares, is a valuable way to make a contribution to Hospice of Marion County and receive tax benefits based on the value of the asset(s) and avoid capital gains tax on the appreciation.**

Suppose Richard and Terri had 300 shares of XYZ Corporation that they purchased at $15 a share some years ago. The current value in today's market is $36 a share. If they sold the stock in the market, they would have a taxable, long-term capital gain on the difference between their cost and what they would receive from the sale ($36 minus $15 equals $21 capital gain per share; 300 shares times $21.00 equals $6,300 in capital gains liability).

Richard and Terri could sell the stock, pay the tax on the capital gain, and either keep or donate the proceeds. If, however, instead of selling the stock, they transferred the 300 shares to Hospice of Marion County, they would not incur any capital gains liability and would be able to deduct the current value (300 shares X $36 = $10,800) on their tax return as a charitable gift.

**By donating the stock, Hospice of Marion County receives a larger gift than it would receive if Richard and Terri first sold the stock and then donated the proceeds after deducting the capital gains tax. Also, Richard and Terri receive a greater tax deduction by giving the stock directly to Hospice of Marion County and avoiding the capital gains tax.**

***General Information.*** A qualified appraisal is required by the IRS for all noncash gifts whose value exceeds $500. Donors are required to report such gifts on Form 8283. However, no appraisal is required for publically traded securities (securities for which daily quotes are available to the public). A qualified appraisal is required for gifts of closely held stock in excess of $10,000. There are also special rules regarding the sale of securities restricted under SEC Rule 144.

If the donor itemizes deductions and has held the security long enough to be qualified as a long-term capital asset, the donor may claim the fair market value as a federal income tax charitable deduction. The deduction is allowable up to 30% of adjusted gross income. If the gift exceeds the allowable amount, there is a five-year carry-over period for the excess.



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***Valuing A Security.*** The value or fair market value (FMV) of a gift of a security is determined by averaging the high and low price of the security on the date of the gift. If the date of the gift occurs when the market for the securities is closed, such as a holiday. then IRS Publication 561 states: "If there were no sales on the valuation date, but there were sales within a reasonable period before and after the valuation date, you determine FMV by taking the average price between the highest and lowest sales prices on the nearest date before and on the nearest date after the valuation date. Then you weight these averages in inverse order by the respective number of trading days between the selling dates and the valuation date."

***Securities Transfer Instructions.*** Please contact us for instructions on transferring securities to our account. It is important for us to be aware of your potential gift as the transfer from your broker might not provide your identification and we would be unable to provide you with the necessary written receipt for your taxes.

***Tangible Personal Property.*** Tangible Personal Property, such as art, jewelry, coin collections and household furnishings can be gifted recognizing that there are specific guidelines from the IRS as to the tax deductibility of the gift. A key issue to be considered before contributing a gift of this type is whether or not the item(s) can be put to related use (to the tax-exempt purpose of the charity to which it is donated).

If not related to the charities' tax-exempt purpose, the tax deduction is limited to the lessor of the objects fair market value on the gift date or the donor's cost basis and the contribution ceiling is restricted to 50% of adjusted gross income. If it is a related use, the tax deduction is fair market value and is available to the extent of 30 percent of the donor's adjusted gross income.

NOTE: The burden of determining lies on the donor as to whether the charity will put tangible personal property to a related or unrelated use. IRS rules regarding the need and type of appraisal necessary for gifts of tangible personal property will vary. Please contact us for more information.

***Real Estate Gifts.*** Please see our real estate brochure for a discussion of these types of gifts.

**You can make a significant contribution through the gift of appreciated assets.**
**Please contact us for more information.**

*To discuss your family's individual needs and philanthropic goals, contact us at:*

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***Our mission:***
*To provide exceptional, compassionate end-of-life care to our community. Hospice of Marion County and Its affiliated companies, Accent Medical, SummerField Suites, and The Center for Comprehensive Palliative Care are committed to the highest Standards of Excellence.*