



The Community
Foundation of
Shelby County

Gifting Securities Benefits You and Your Giving

A gift of pre-tax appreciated securities may be one of the easiest and most cost-effective ways to fulfill your desire for charitable giving. Instead of selling publicly traded stock to create a cash gift, consider gifting those appreciated shares directly to a charitable fund you establish within the Community Foundation of Shelby County.

You sidestep capital gains taxes, receive a tax deduction and then can grant proceeds to your favorite charities. The examples below indicate the difference in value of gifting the proceeds of the appreciated security after its sale vs. gifting the appreciated security directly.

Assumptions:

- Owned security for more than one year
- Federal Tax Bracket 37.0%
- Capital Gains Bracket 20.0%
- Ohio State Tax Rate 5.3%
- Net Investment Tax 3.8%
- Cost Basis \$10,000
- Appreciation (Gain) \$20,000
- Fair Market Value \$30,000

#1 Sell security outright and gift proceeds to a public charity

#2 Donate security directly to a public charity

Federal Capital Gains Tax	\$4,000	Federal Capital Gains Tax	\$ 0
State Capital Gains Tax	\$1,060	State Capital Gains Tax	\$ 0
Net Investment Income Tax	<u>\$ 760</u>	Net Investment Income Tax	<u>\$ 0</u>
Total Capital Gains Taxes	(\$5,820)	Total Capital Gains Taxes	\$ 0
Net Receipt from Sale	\$24,180	Net Receipt from Sale	\$30,000
Federal Tax Deduction <i>(Saved in Income Tax)</i>	\$8,947	Federal Tax Deduction <i>(Saved in Income Tax)</i>	\$11,100
Charity Receives	\$24,180	Charity Receives	\$30,000
Net Tax Savings	\$ 3,127	Net Tax Savings	\$11,100
		<i>Not only results in increased tax benefits for you, but also in a full \$30,000 available to benefit charities you value.</i>	

*Please note: the full value of the appreciated security can be donated, but deduction is limited to 30% of AGI. Always consult your tax professional to verify the ways of giving that are most advantageous to your situation.