

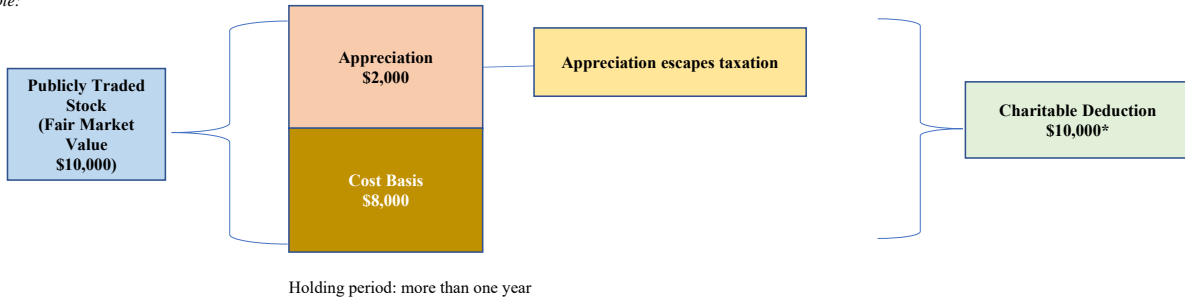
**YEAR-END CHARITABLE GIFTS TO ROLCC  
-PUBLICLY TRADED STOCKS**

**Disclaimer:**  
The information provided here is for illustrative/educational purposes only. This material is not intended to constitute legal, tax, investment or financial advice. Effort has been made to ensure that the material presented herein is accurate at the time of publication. However, this material is not intended to be a full and exhaustive explanation of the law in any area or of all of the tax, investment or financial options available.

**1. What is the benefit of donating appreciated stock held for more than one year in general?**

- 1) Taxpayer is entitled to take charitable deduction at the fair market value of the stock.
- 2) Appreciation in the stock is not recognized as capital gain.

Example:



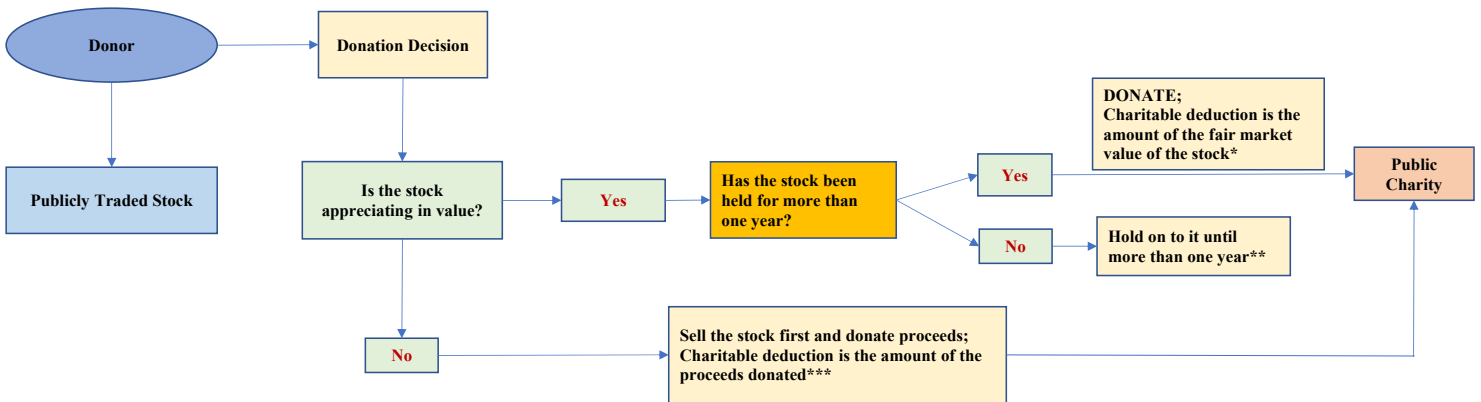
\*Charitable deduction for stock donation to public charity is subject to 30% AGI limitation, in general.

Fair Market Value (FMV)	10,000	
Cost Basis	<u>(8,000)</u>	
Potential capital gain	<u>2,000</u>	Potential cost saved: \$ 476 Assuming @20% tax rate and 3.8% surtax on net investment income

Donation amount:	10,000	
Adjusted gross income (AGI):	500,000	
AGI limitation:	150,000	
Allowed donation deduction:	<u>10,000</u>	Tax savings: \$ 3,700 Assuming @37% tax rate
		Total tax savings: <u>\$ 4,176</u>

**2. When to make stock donations?**

Please see the decision-making flow chart below:



\*Charitable deduction for stock donation to public charity is subject to 30% AGI limitation, in general.  
 \*\*Charitable deduction for donated stocks held less than one year is limited to the taxpayer's basis in the property.  
 \*\*\*Cash donation to public charity is subject to 50% AGI limitation, in general. The CARES Act lifted up the limitation to 100%.