

## Double-dip Tax Savings when Giving to Temple Emanu-El

Are you receiving a *double* tax break when you pay your Temple dues? By gifting appreciated stock or mutual funds instead of cash, you could save over \$1,000 additionally in taxes on a \$5,000 donation! The benefits of appreciated stock gifts are two-fold: receive a charitable deduction *and* avoid capital gain tax treatment on the appreciation of the gifted shares. Not only can you gift your dues in this manner but major legacy gifts as well. This gifting approach often allows more “bang” for your charitable buck than gifting cash alone. In addition, this type of arrangement is easy to make and quickly processed via a simple electronic transfer.

First, gifts of appreciated securities are eligible for an itemized charitable deduction on your tax return – the same as a cash donation. Instead of deriving the amount of the charitable deduction from the amount of cash given, the charitable deduction is calculated based on the fair market value of the number of shares given on the date of the gift.

Second, the gift of appreciated stock allows you to escape recognizing capital gain treatment of the shares. If you have \$5,000 worth of stock shares with zero basis that have a holding period of longer than one year, selling these shares could create a federal tax liability of 15% as well as a Georgia state tax liability of 6%. By gifting these shares instead of selling them, capital gains tax can be avoided altogether.

Before you get everything ready to transfer, make sure you take the following items into account. First, the appreciated stock you choose should be held for more than one year. Otherwise, your charitable deduction would be limited to the stock’s cost basis. Also, be sure the stock will otherwise sell at a gain. There is no capital gains tax due on stocks that sell at a loss, and therefore no tax savings when gifting depreciated shares.

Temple Emanu-El currently has an account at Charles Schwab ready to accept transfers of stock. Once your gift arrives in the account, it is immediately sold and the proceeds of the sale will be allocated to you as a charitable contribution. Talk to your financial planner or CPA whether this gifting strategy is appropriate for you. For further assistance with a gift of appreciated stock, please contact Temple Emanu-El’s Controller Sally Caplan at [scaplan@temple-emanuel.net](mailto:scaplan@temple-emanuel.net) or Emily Sanders of Sanders Financial Management at [esanders@sandersfinancial.com](mailto:esanders@sandersfinancial.com).