

A Strategy and an Opportunity

Tax Law Change: **The Good News**

- Lower tax rates = more disposable income
- Charitable income tax deduction remains intact!
- Capital gains tax rates left untouched – incentivizes gifts of appreciated assets

Strategies for **middle donors** (\$1 - \$20,000 in charitable gifts each year)

- Bundling (doubling charitable gifts in one year) to a donor advised fund allows the donor to itemize deductions, then take the standard deduction the following year.

New standard deduction - \$12,000 for a single taxpayer or \$24,000, for a married couple

- For individuals over 70 ½, make a qualified charitable distribution from an IRA (Individual Retirement Account) - gift maximum \$100,000.

The advantage - An IRA distribution sent directly to ECCF is excluded from income; no charitable deduction

Strategies for **major donors or businesses**

- Because of the combined federal and state capital gains tax, the tax benefits for giving appreciated assets is **even more compelling**
- Nine year bull run = many donors own highly appreciated stock (gifts of stock)
- Bundle donations to a donor advised fund every other year and itemize (*Same standard as above*)
- For individuals over 70 ½, make a qualified charitable distribution from an IRA - gift maximum \$100,000. (*Same advantage as above*)
- Turn an asset, real estate, QCDs, farmland, machinery, business interests, etc. into a gift

Some Truth Telling

- Only 30% of US taxpayers itemized before 2018
- People give because they believe in the organization's mission ... and believe that their gift can make a difference

ECCF encourages donors to visit with their financial and legal advisors to determine which charitable giving strategies are best for them. ECCF is available to work with donors and their advisors to fulfill personal, financial, and charitable wishes.



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