

TAKING ADVANTAGE OF TAX DEDUCTIONS

Thank you for considering a pledge or cash gift to Irvine Park Capital Campaign!

Congress designed tax laws to encourage people to support local and national activities through charitable giving. If communities and organizations can improve the quality of life apart from or in cooperation with the government, the government won't be asked to do as much. Congress thinks that's a good thing.

Anyone who itemizes their deductions can reduce their taxes by making charitable gifts. Gifts to the Irvine Park Capital Campaign are tax deductible to the full extent of the law.



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TAX-WISE GIVING

▶▶▶ Irvine Park Capital Campaign



**Chippewa Falls Parks and Recreation
& Forestry Department**

GIVING STOCK, MUTUAL FUNDS or APPRECIATED PROPERTY

Chippewa Valley area financial advisors often make a special issue of using assets other than cash to make charitable gifts or fulfill pledges. For example, anyone who bought stock 20 or so years ago may have a potentially lucrative asset to use in making charitable gifts, such as the Irvine Park Capital Campaign.

As a case in point, an individual purchased shares of XYZ stock more than 10 years ago. For purposes of this example, the stock sells for about \$50 per share today, while the original cost, after taking into account stock splits and dividend reinvestment, was only \$8.50. If that stock were sold, capital gains tax would be figured on the \$41.50 difference between the cost basis and the current value. On the other hand, if the stock is given directly to the Irvine Park Capital Campaign, there would be no capital gains tax, and the full fair market value may be deducted on the date of the gift up to a percentage of the taxpayers' income.

Mutual funds may also be used in this manner. By donating shares of a mutual fund to the campaign, the individual gets the full benefit of the increase in value by claiming its full fair value as a deduction and avoid any income tax on the gain.

Most forms of appreciated property such as land, buildings, houses or crops can make good giving vehicles.

Each individual circumstance is unique. Please consult your own professional advisor prior to making a pledge to identify how to best impact your tax benefit.

Reducing Taxes

If a person in the 35% tax bracket gives appreciated property, rather than selling it, the income tax savings can mean the government is picking up more than 20% of the cost of their gift. Adding in state tax savings can mean that a person's net, out-of-pocket cost of giving can be as little as 20 to 30 cents on the dollar.

It is a wise decision if individuals are considering structuring their gifts in a tax-wise manner to consult with their accountant, tax attorney, financial planner or tax professionals. Everyone's situation is different, and it is important to talk to someone who knows your situation who may properly advise you on how the tax laws will apply to you.

The Irvine Park Capital Campaign is underway. Together we can make a difference to improve the Park and our area with social, economic and recreational benefits- to support the Chippewa Valley area far into the future.