



Avoid Capital Gains & Medicare Taxes on Appreciated Stock Gifts to your Donor Advised Fund

If you are looking for a way to maximize the power of your charitable contributions, you may want to consider donating your long-term appreciated securities (stock, bonds, mutual funds, etc) to your donor advised fund at Truman Heartland Community Foundation. By donating your appreciated securities directly to your fund (instead of selling the security and donating the cash) you will reap considerable tax advantages giving you the most charitable dollars to grant to the charities you care about.

By donating long-term appreciated securities with unrealized gains directly to your donor advised fund you will be able to take an income tax deduction up to 30% off your adjusted gross income *for the full fair market value* of the securities. Because the securities are donated rather than sold, capital gains taxes do not apply to the capital gains made on the security.

The chart below illustrates how you can maximize your charitable giving dollars while receiving maximum tax advantages when donating long-term appreciated securities.

	Donor Gives Cash From Sale	Donor Gives Securities to DAF
Current fair market value of stock	10,000	10,000
Federal long-term capital gains tax (15%)	900	-
Medicare tax (3.8%)	228	-
MO State tax (5.4%)	324	-
Available for charitable gift/deduction	8,548	10,000
Tax Savings of charitable deduction	3,197	3,740
Less - Capital Gains, Medicare and MO tax paid	(1,452)	-
Net Tax Savings	1,745	3,800

Net increase in tax savings

2,055

Gift of \$10,000 of appreciated stock versus sale followed by gift Assumptions:

- Married couple with total income greater than \$326,600 subject to 3.8% Medicare tax and itemizes deductions before the stock donation
- A federal individual tax rate of 32% and MO tax rate of 5.4%
- Appreciated security with cost basis of \$4,000 and long-term capital gains of \$6,000