

*W*ith the end of the year rapidly approaching, now is an ideal time to review important financial matters. Careful planning today can help you balance your personal and philanthropic goals for the remainder of the year and beyond. The end of the year can also be a time to express thanks for the blessings we have received and to plan for the future.

You may find time spent determining the best ways to make your charitable gifts can help maximize their impact.

Read on for ideas that may be beneficial as you consider your charitable giving for 2016.

SAVE TAXES BY GIVING

Our nation's tax laws provide powerful incentives to encourage charitable gifts. Charitable gifts at year-end can result in extra tax savings for this year. Your tax rate determines how much you save.

For example, if you itemize charitable gifts of \$1,000 this year and are in the 33 percent tax bracket, you can save up to \$330 in taxes, making the real cost of your gift just \$670. The higher your tax bracket, the more you save. And, if you pay state income tax, your savings may be even greater.

Remember, though, that in order for your gifts to provide tax savings this year, they must be completed by December 31.

ENJOY EXTRA SAVINGS

In addition to regular taxes saved by the charitable deduction, giving certain assets can result in even greater savings.

Giving stocks, bonds and mutual funds that have increased in value can reduce the after-tax cost of giving by more than one-third.

Example: Paul and Mary are planning their charitable gifts for the year. They own stock that has increased in value since they acquired it. If they sell the stock, they would have to pay capital gains tax on the increase in value. The couple should consider making their gift this year in the form of stock rather than cash.

Because they are giving stock owned more than a year, Paul and Mary are entitled to a charitable deduction equal to full market value. They also do not have to pay the capital gains tax that would be due had they sold the stock. Giving in this way results in the greatest tax savings from their gift.

When stocks have declined in value, it may be best to sell them, create a potentially tax-deductible loss and then give the cash from the sale.

Limits on deductions sometimes apply. For example, gifts of cash can eliminate tax on up to 50 percent of your adjusted gross income (AGI). For most gifts of appreciated

Giving Reminders for 2016

- Complete your gifts by December 31 to enjoy tax savings for 2016.
- Keep all receipts and acknowledgments for tax purposes.
- Giving stock or certain other property that has increased in value may provide greater tax savings.
- Gifts through wills, trusts and other long-range financial plans are another way to share your blessings.
- Ask your advisors which methods of giving are best for you.

Your gifts are greatly appreciated. We will be pleased to assist you and your advisors as you plan to fulfill your charitable goals for 2016.

property, you may eliminate tax on up to 30 percent of your AGI. Larger amounts may be used to reduce taxes in as many as five future years.

Check with us or your advisors if you have questions about the tax planning or other aspects of your gifts.

“BUNCH” DEDUCTIBLE EXPENSES FOR SAVINGS

The timing of charitable gifts is totally within your control. If you do not normally have enough deductions to itemize them, you may be able to concentrate, or “bunch,” your deductible expenditures, such as mortgage interest and taxes, in some years.

In that case, you may want to consider making larger charitable gifts in years they will yield the greatest benefit. As you can see, whether you give cash or other assets, a minimum amount of planning may help you maximize your tax savings.

ENJOY TAX-FREE IRA GIVING

If you are aged 70½ or older, you can direct charitable gifts of up to \$100,000 per year from individual retirement accounts (IRAs) on a totally tax-free basis. These amounts can also count towards your required minimum distribution for the year.

PLAN NOW TO GIVE LATER

Many people also review their overall estate and financial plans at the end of the year. Remember that these plans can also include charitable gifts.

For example, you may wish to include charitable gifts in your plans for a specific amount, a percentage or what is left after providing for heirs.

Retirement plans, living trusts and life insurance policies can also offer convenient opportunities for giving. Other plans may help you increase income, save taxes and allow you to share your blessings with those you care most about.

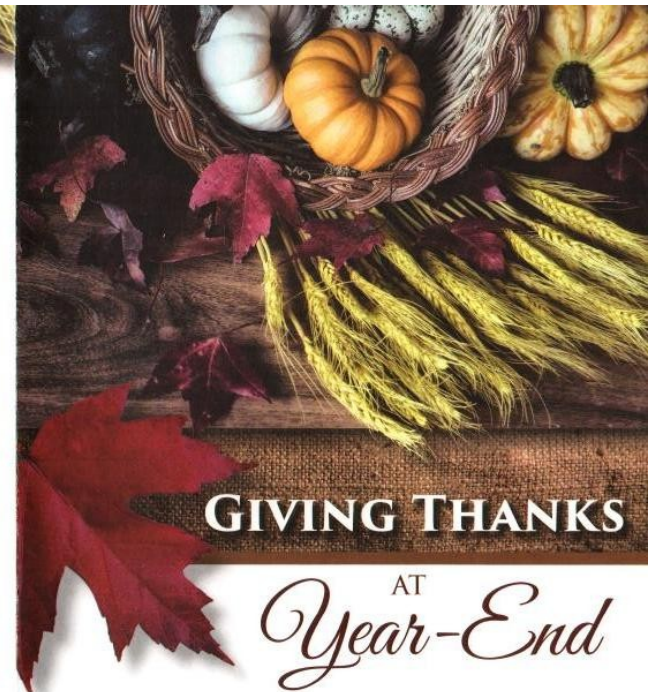
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