

Donating long-term appreciated assets like stocks, real estate and privately held business interests **prior to sale** can offset capital gains tax liability by providing a charitable tax deduction that **reduces** both capital gains and income taxes related to the sale of the asset while **yielding charitable capital** for the causes closest to your heart.

## Scenario

\$10M Assets

\$0 Original Basis

\$10M Capital Gain (subject to 33.3% combined Federal & State tax)

	Scenario 1 No Charitable Gift	Scenario 2 Charitable Gift After Sale <sup>2</sup>	Scenario 3 Charitable Gift Before Sale <sup>3</sup>	Seller Benefits of a Pre-Sale Gift
Charitable Gift	\$ -	\$ 500,000	\$ 500,000	
Capital Gain	\$ 10,000,000	\$ 10,000,000	\$ 9,500,000	Capital gain reduced by charitable gift.
Taxable Income	\$ 10,000,000	\$ 9,500,000	\$ 9,000,000	Charitable gift offsets taxable income.
Income Tax	\$ 3,330,000	\$ 3,163,500	\$ 2,997,000	\$333K less tax paid than no gift. \$166.5K less tax paid than post-sale gift.
<b>Proceeds to Seller</b>	<b>\$ 6,670,000</b>	<b>\$ 6,336,500</b>	<b>\$ 6,503,000</b>	Seller receives \$166.5K more than with post-sale gift.
Charitable Gift	\$ -	\$ 500,000	\$ 500,000	
<b>Total Proceeds From Sale (Personal &amp; Charitable)</b>	<b>\$ 6,670,000</b>	<b>\$ 6,836,500</b>	<b>\$ 7,003,000</b>	Proceeds \$333K higher than with no gift. Proceeds \$166.5K higher than with post-sale gift.

1. Examples include privately-held business interests, real property, publicly-traded securities, etc.
2. Gifting to charity of cash or liquid assets following the sale of long-term appreciated assets.
3. Gifting ownership interest in privately-held company or transfer of real property of securities to charity prior to the sale.

*This material has been prepared for informational purposes only and is not intended to provide a tax advice. Please consult your own advisors before engaging in a transaction.*