

# Donating Appreciated Securities

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Most of us typically donate by cash or check. But consider this – donating stocks, bonds, or mutual funds that have appreciated over time has some impressive tax benefits. Sure, we don't give because of the tax benefits. But if it reduces your tax liability, perhaps you will be able to give more in the future!

## The Basics

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If you have securities (stocks, bonds, mutual funds) that were purchased over a year ago and have increased in value, you can donate them to your parish, the Diocese, or an endowment within the Foundation for the Diocese of Helena. Doing so allows you to claim the fair market value as an itemized deduction on your tax return—up to 30% of the donor's adjusted gross income.

Because the securities are donated, not sold, no capital gains taxes are owed. The greater the appreciation, the bigger the tax savings will be.

## Example

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A married couple owns stock they purchased years ago for \$20,000, and is now worth \$50,000. Assuming a 20% capital gains tax rate, if they sell the stock and donate the proceeds to their parish, they will pay a federal long-term capital gains tax of \$6,000 on the \$30,000 gain.

If, however, they donate the stock directly to the parish, they are not taxed on the gain.

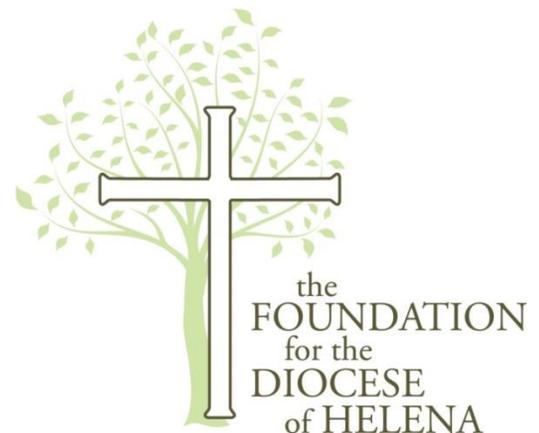
Donating securities is a simple process, whether you are donating to your parish, the Diocese, or an endowment within the Foundation. Consider meeting your parish offertory or diocesan annual appeal commitments with a gift of appreciated securities! Contact the Foundation for applicable stock transfer instructions. Just remember to give your investment manager ample time to process year-end gifts, since so many investors/donors take advantage of this type of charitable giving.



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*This information is not intended as tax advice; please discuss with your tax advisor.*