



"Ding" Darling Wildlife Society 1 Wildlife Drive, Sanibel, FL • tel (239) 472-1100 • fax (239) 472-7803

Making a Gift of Appreciated Stock

Pay No Capital Gains Tax, Claim a Deduction and Support "Ding" Darling

With the holidays upon us and the year-end quickly approaching, one might consider donating appreciated stock to benefit the conservation efforts taking place at the J.N. "Ding" Darling National Wildlife Refuge.

Each year, many tax savvy people make donations of appreciated long-term stocks and bonds directly to public charities, such as the "Ding" Darling Wildlife Society (DDWS), rather than selling the appreciated securities and writing a check to the charity.

Gifts of appreciated stock is one of the most effective means of tax savings available.

By directly transferring stocks to the Ding Darling Wildlife Society, a donor can realize two substantial income tax savings. 1. There will be no capital gains tax liability on donating appreciated securities which have been held for more than a year. 2. The full value of the securities qualify for an income tax deduction. Since the securities are donated rather than sold, capital gains taxes from selling the securities no longer apply. The more appreciation the securities have, the greater the tax savings will be.

A simple example illustrates the savings. Assume a taxpayer owns appreciated securities with a fair market value of \$50,000 and a tax basis of \$20,000. If the taxpayer sold the security for the same \$50,000 and paid the capital gains tax and associated Medicare surtax at a 23.8% tax rate on the \$30,000 capital gain, then he or she would have \$42,860 (\$50,000 less \$7,140) to donate to the charity, and only a \$42,860 charitable donation. **Conversely** if the taxpayer instead donates the securities directly to the charity, then 1) no capital gains tax liability, and 2) the charitable income tax deduction is for the entire \$50,000.

Obviously some care is recommended in selecting which securities to donate. Check with your tax advisor when determining if this is the best tax strategy for you.

If you are looking to maximize the power of your charitable contributions — to make a single asset make more of a difference to the charitable causes you care about — consider donating your long-term appreciated securities. Contact the Society's Executive Director, Birgie Miller, at 269 292-0566, director@dingdarlingsociety.org, for additional information.