



St. Anne's Episcopal School

Tis the Season ... For Year-End Stock Gifts

One of the most effective methods of lowering your tax bill this season is to give a charitable donation of appreciated stocks.

The potential advantages of donating appreciated stocks are twofold. First, you can avoid paying income taxes on built-up capital gains. Second, you may receive a charitable gift deduction in an amount equal to the fair market value of the donated investments.

This double tax benefit increases the impact of your generosity!

Here's an example:

Jane Smith is in the 28 percent tax bracket and she owns stocks currently valued at \$30,000. She purchased these stocks several years ago for \$4,000. She contributes the stocks to a qualifying charity and realizes a \$30,000 charitable deduction, which saves her \$8,400 in income taxes (28 percent of \$30,000). In addition, Jane Smith avoids the potential capital gains tax on her \$26,000 gain, approximately \$3,900 (15 percent of \$26,000). Therefore, Jane's investment which originally cost \$4,000 generated \$12,300 in tax savings as a result of the gift.

As with all tax planning decisions, there may be exceptions to the general rule that apply. It is important to consult a tax professional to see if you are in the position to take advantage of this potentially effective tax strategy.

Gifts of Securities to St. Anne's Episcopal School

If you wish to electronically transfer stock/securities to St. Anne's Episcopal School, Inc., contact Lisa Slinkard at 302.378.3179, ext. 347 or e-mail at lslinkard@saintannesschool.org to get instructions to make the transfer.

Please provide us with the following information:

Your Name

Name of the Security

Name of your Brokerage Firm

of Shares you are sending

Please ensure that your stockbroker knows to transfer the stock outright to the St. Anne's Episcopal School, Inc. rather than selling the stock first and then transferring the proceeds. Otherwise, you could incur a capital gains tax on the appreciated securities. The value of your donated stock is the average of the high and low value on the date of the gift.

In considering when you might transfer stock, be advised that the gift date for tax purposes is the day the securities are transferred directly to the St. Anne's Episcopal School, Inc.

Donating appreciated stocks is not only a creative way to lower your tax bill -- it also provides vital support for your favorite nonprofit organizations!