



How to Arrange a Gift of Real Estate

4 Ways to Realize Significant Savings While Doing Good



1. Make a Gift Today

When you make a gift today of real property you have owned longer than one year, you obtain an income tax charitable deduction equal to the property's full fair market value. This deduction lets you reduce the cost of making the gift and frees cash that otherwise would have been used to pay taxes. By donating the property to us, you also

avoid capital gains tax on its appreciation. Furthermore, the transfer is not subject to the gift tax, and the gift reduces your future taxable estate.



Example: *Mary gives us a vacation cottage she no longer uses. It originally cost \$50,000 but is now worth \$150,000. She gets a \$150,000 charitable deduction, which represents a tax savings of \$42,000 in her 28 percent tax bracket, and she completely eliminates tax on the \$100,000 of appreciation. Now she no longer has to maintain the cottage, and the property will not be taxable in her estate.*

2. Donate Your Home, But Still Live in It

Let's assume you like the tax advantages a charitable gift of real estate would offer, but you want to continue living in your personal residence for your lifetime. If you would ultimately like us to receive the property, you can deed your home to us now, subject to your right to live there throughout your lifetime, and still obtain valuable tax savings. Even though we would not actually take possession of the residence until after your lifetime, you receive an immediate income tax

3. Use Property to Fund a Charitable Remainder Trust

You can obtain a life income by using unmortgaged real property to fund a charitable remainder trust. Once the property has been transferred to the trust, the trustee can sell it and invest the proceeds in income-producing securities, which become the source for income payments to you and any other recipient you name for your lifetimes. When the trust terminates, we receive the remainder. You benefit from a charitable income tax deduction in the year you initially fund the trust.

4. Give Real Estate Through Your Will

If making an irrevocable gift of the property during your lifetime through one of the options we have discussed is not to your liking, consider giving it to us in your will. Because your will is revocable, you will not be able to take an income tax deduction—but the property will not be taxed as part of your estate. Through your will, you may also give another person life use before ownership passes to us. Or you can bequeath full title to an individual, if that person survives you, with our organization as the recipient only if that person doesn't survive you.

Find Out More

You may have questions about appraisals, tax savings and other details. You will also want to know which gift arrangement is best for you. We would be happy to assist your attorney and other advisors in designing the most suitable plan for you. Please call us anytime.



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