



INTERNATIONAL CONSORTIUM OF INVESTIGATIVE JOURNALISTS

The Benefits of Donating Appreciated Securities

As you plan to make your qualified charitable donation to International Consortium of Investigative Journalists, the following information may be useful to you when donating appreciated securities:

Key Points to Remember:

-When donating appreciated securities to complete your annual gift or to fulfill an existing commitment, **make sure that the shares you choose to use have been held for more than one year.**

-If the shares were held for a year or less, the shares would be treated as ordinary income property for this case, and the charitable deduction would be limited to the stock's cost basis (i.e., what you paid for it)

-Using stocks to fulfill commitments may work best for donors whose marginal tax bracket is 15% or higher and who claim itemized deductions.

The Benefits:

-The Tax benefits for donating appreciated securities are attractive to donors, who are able to:

- Deduct the full amount of the donation
- Escape the unrealized gains on the stock

These rules create a "double play" of tax benefits: a charitable deduction AND avoiding tax on the unrealized capital gains of the donated securities.

-Selling your appreciated securities, would require you to pay capital gains, which has a set tax rate for long-term capital of 15% for most individuals but up to 20% at certain income thresholds.

Illustration of the Benefits:

-Let's say that you purchased stock for \$10,000 in July 2014, which today has a value of \$100,000. Let's review the benefits of giving appreciated stock instead of selling the shares/giving the proceeds:

Action	Capital Gains Paid	Tax Deduction Generated
Sell Stock/Give Proceeds	\$15,000 - \$23,800	\$76,200 - \$85,000
Give Appreciated Stock	\$0	\$100,000

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