

## **Tax-Wise Giving**

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*Jesus said to them, 'Give to the emperor the things that are the emperor's, and to God the things that are God's.' And they were utterly amazed at him. Mark 12:17*

Notice that Jesus didn't say, "Give to the emperor *more* than the things that are the emperor's." As April 15 approaches, here are some tips on tax-wise giving from the Florida United Methodist Foundation.

### **Give appreciated securities.**

It's nice to be able to talk about *appreciated* securities again. The Standard & Poor's 500 Index, a measure of the broad U.S. stock market, grew by 29% in 2003, after three consecutive declining years. By giving stocks that have increased in value, the donor avoids paying capital gains tax that would otherwise be due on the sale of a security that has gone up in value.

Here's an example. Mrs. Jane Donor bought stock in the 3M Company in March 2001 for \$55.00 per share. 3M stock is trading today for around \$75.00 a share, or a 36% increase. Suppose Mrs. Donor wants to give her United Methodist Church 100 shares of 3M, worth around \$7500. If she were to sell the stock herself, she would have to pay a capital gain tax of \$300 (15% of the \$2000 gain). If Mrs. Donor instead gives the stock to her church, she will avoid paying the tax, and her church can then sell the stock tax-free and receive the full \$7500 value. In essence, Mrs. Donor was able to make a \$7500 gift that cost her only \$7200 – and she can claim the full value of her \$7500 gift as a charitable deduction.

### **Consider a Charitable Gift Annuity or Charitable Trust**

Both of these planned gifts include a charitable gift that will ultimately go to the church while the donor retains the right to the income stream that the gift produces during the donor's lifetime, or for a term of years. The donor receives an immediate tax deduction for his or her gift, and a portion of the income received by the donor is usually tax-free.

### **Create a Donor Advised Fund**

A Donor Advised Fund offers donors the opportunity to create a fund within the Foundation, claim an immediate tax deduction, recommend grants from the fund now or later, avoid capital gains taxes, and enjoy tax-free growth.

The Florida United Methodist Foundation is available to help. For a confidential, no cost, no obligation consultation, please call, click or write us at 800-282-8011, extension 106, [www.fumf.org](http://www.fumf.org), or Post Office Box 3767, Lakeland, FL 33802-3767.