

# The *End-of-the-Year-Tax-Planning* List

## **DIFFERENT WAYS TO GIVE**

As we near the finish line for 2017, now is a great time to think about your year-end giving. The last few weeks of the year are historically the busiest for the financial offices of churches and other Baptist causes.

Personally, we know that the holiday season from Thanksgiving to Christmas to New Year's Day is a blur of church services, turkey, and tinsel right up until the big ball drops. So, before your calendar gets too jam-packed with Christmas pageants and Christmas movie marathons, today is a great time to give some thoughtful consideration to your year-end giving.

Of course, most of us usually write checks or give cash to our churches and other Baptist causes (and you can certainly still give that way!), but there are some other techniques outside the usual means of giving that may interest you that I'll discuss in this article.

# 1

## **GIVING GIFTS OF APPRECIATED STOCKS, BONDS, AND/OR MUTUAL FUNDS**

With the financial markets continuing to reach record peaks, you may now own investments that have appreciated a great deal in value. While you might like to sell these assets in order to take these gains, you may be reluctant to do so due to the capital gains tax that would be due. Did you know that charities, like your church or other Baptist cause, do not have to pay any capital gains when an investment is sold? You can actually transfer the appreciated security to your favorite Baptist cause as a gift, and you get a tax deduction for the full market value of the security, while the charity gets the full economic benefit of the investment. The only one left out is Uncle Sam. Unlike your neighbor who you know will be leaving his Christmas lights up year-round, we don't know how long the markets will stay up. Take advantage of these appreciated investments while you can.

# 2

## **GIVING GIFTS OF REAL ESTATE**

As with stocks and bonds, we have enjoyed rising property values in Tennessee over recent years. While you may want to sell your land, capital gains may be an issue. As with appreciated securities, appreciated land can also be donated to your favorite Baptist cause with all the same benefits outlined above.

# 3

## **QUALIFIED CHARITABLE DISTRIBUTIONS (QCD)**

For those of you who are required to take a Required Minimum Distribution (RMD) from an Individual Retirement Account (IRA), the tax code allows you to satisfy your RMD requirements through a special procedure known as a Qualified Charitable Distribution by sending the money directly to a charity. And Baptist causes qualify as a charity! Whereas you would normally have to pay taxes on the amount that you withdraw from an IRA, you pay no taxes on the money that goes directly to the charity. Like the language buried in the fine print of a Black Friday ad, some restrictions apply. You have to follow very specific procedures to accomplish this, but your investment advisor will be able to guide you through this process.

Obviously, these techniques require more than simply writing a check or initiating a transfer from your bank account. These strategies also take a little bit of time to complete from start to finish. So, if any of these ideas interest you, why wait? Take action now! If you handle your year-end giving now, you'll have more time later to figure out to whom you're going to re-gift that fruitcake from last year. Call your church office to get the process started. If you or your church has questions about how to facilitate these kinds of gifts, please know the Foundation would be more than happy to talk with you.

***From the Foundation, we wish you the  
happiest of Christmas seasons!***

*– Christopher L. Kelly, Esq.*

