

A LESS TAXING WAY TO GIVE

The great thing about charitable donations is that you give and receive at the same time.

A gift to The Legacy Fund may entitle you to a charitable contribution deduction against your income tax if you itemize deductions. If the gifts are deductible, the actual cost of the donation is reduced by your tax savings. For example, if you are in the 33% tax bracket, the actual cost of a \$100 donation is only \$67 (\$100 less the \$33 tax savings). As your income tax bracket increases, the real cost of your charitable gift decreases, making contributions more attractive for those in higher brackets. The actual cost to a person in the lowest bracket, 15%, for a \$100 contribution is \$85. For a person in the highest bracket, 35%, the actual cost is only \$65.

A contribution to a qualified charity is deductible in the year in which it is paid. Putting the check in the mail to the charity constitutes payment. A contribution made on a credit card is deductible in the year it is charged to your credit card, even if payment to the credit card company is made in a later year.

There are limits to how much you can deduct, but they're very high. For most people, the limits on charitable contributions don't apply. Consult with your tax advisor to determine whether these other ceilings will apply. If you give an amount in excess of the applicable limitation to The Legacy Fund in one year, the excess is carried over for up to five years.

Rules exist for non-cash donations. If you contribute property owned for more than one year, the value of the deduction is normally equal to the property's fair market value. You have an advantage when you contribute appreciated property because you get a deduction for the full fair market value of the property. You are not taxed on any of the appreciation, so, in effect, you receive a deduction for an amount that you never reported as income.

Documentation is provided. You will receive a charitable donation receipt for your records annually. And, that's all you need.

