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Your Gift Toward Fulfilling the Promise Can Pay Dividends on Tax Day

Not only will your financial gift help build the STE of the future, but your generosity can also help ease your tax burden. There are many ways you can support the campaign – each with its own tax benefit.

Let's start with the basics – The CARES act has expanded giving opportunities in 2020. Taxpayers that itemize rather than taking the standard deduction would normally deduct cash gifts to the campaign up to 60% of their adjusted gross income (AGI). However, in 2020 the 60% limitation has been eliminated. This means you can deduct cash contributions up to **100% of your AGI** for this year only.

For example, if you're in the 28% tax bracket, a \$10,000 gift would save you \$2,800 in taxes. In addition, the campaign provides an option to pledge a gift and make contributions over the next four years. This flexibility allows you to spread the tax benefit over multiple years and is particularly helpful if you have uneven income, or the AGI limit is reducing the deductibility of your gift.

How would you like to knock out two taxes at once? Capital investment gifts like stocks, bonds, or mutual funds can have unique tax savings opportunities, particularly for those assets that have appreciated significantly in value. You are able to deduct the full market value of these gifts irrespective of your cost basis. In this instance, you can avoid potential capital gains taxes and receive a deduction at the current market value of your gift.

Is your required minimum distribution only adding to your tax burden? While required minimum distributions have been paused for 2020 through the CARES act, absent additional legislation they will resume in 2021. You may want to consider an IRA charitable rollover to reduce future required withdrawals.

If you are over the age of 70 ½ you can make a gift from your IRA to support the capital campaign. Many retirees find that they aren't using their required minimum distribution (RMD) and the withdrawal is only increasing their tax burden. IRA charitable rollover gifts can be ideal in this situation. Your gift counts toward your RMD and is excluded from your taxable income - no need to itemize and no AGI limit.

These are only a few of the examples of how your gift can make a positive difference for STE and for your tax bill. There are several other ways to make gifts. I encourage you to read about the gift types referenced in this article and several other gift-giving opportunities [here](#).

For more information, please contact:

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