

Legacies Online

Year-end Edition

Presented by the Christian Church (Disciples of Christ) in West Virginia

In partnership with

The Christian Church Foundation

April 15 – Tax Day – is still a few months away, but now is a good time to analyze where you are and act before the end of the year if you want to save on your tax bill.

Many people have a disdain for taxes, but the U.S. government gives taxpayers a way to reduce their tax burden if they make gifts to qualified charities, like the [Christian Church \(Disciples of Christ\) in West Virginia](#) or your local congregation. These gifts can give the taxpayer a charitable income tax deduction, thereby reducing the amount of tax owed.

There are many ways to do this...

Outright gift of cash

Making an outright gift of cash is typically the easiest way. Writing a check to the region or congregation is simple, efficient and direct. The receipt, along with the canceled check, serve as evidence the gift was made.

Gift of appreciated stock

Giving appreciated stock not only allows for a charitable income tax deduction, but the donor also bypasses any capital gains tax on the appreciation of the stock. But beware: the stock must be held for at least one year and one day – considered “long term” – to have the capital gains taxes bypassed. If less than that period, the gift is valued only at the original cost of the stock, called “cost basis,” to the donor.

Taking Advantage of Charitable IRA Giving

Through the end of 2009, donors 70 ½ and older can make a direct gift from a traditional IRA without having to claim the IRA distribution as taxable income.

This distribution can be counted against your required minimum distribution if you choose; it will *not be counted as a taxable distribution* to you; and you are allowed to make distributions to charity of up to \$100,000 in any given year. In some states, making your charitable gifts through your IRA will save you state taxes, since this income will not be included in your Adjusted Gross Income. The combined impact of saving state, local *and* federal taxes is most dramatic for non-itemizers, who are now able to give tax-free dollars to charity – stretching their dollars by 25, 30, or even 35 percent! This window of opportunity can allow people to give more to the region or congregation at the same or reduced “out-of-pocket cost” to them.

Under the old rules, donors making gifts from their IRAs would have to take the distribution into their taxable income and then claim an offsetting income tax charitable deduction. However, the result is not always a wash.

For higher income earners, the impact of receiving additional income on the taxability of social security payments, the deductibility of medical expenses, miscellaneous itemized deductions, the phase-out of itemized deductions and child tax

credit, and application of the alternative minimum tax can often result in a net income tax cost of making a charitable gift. [The Christian Church Foundation](#), the church's general ministry focused on planned giving and institutional investing, has sample request letters that you can provide to your IRA administrator. The Foundation also can be contacted at (800) 668-8016.

Consider a Life-Income Gift

These types of gifts, typically in the form of Charitable Gift Annuities or Charitable Remainder Trusts, provide a way for a donor to make a gift and receive a charitable income tax deduction for part of the gift, while retaining a stream of payments for life or a certain number of years. At the end of the terms of the contract, a gift would go to the Christian Church in West Virginia, the donor's congregation or other entity of the church.

Learn more about these particular types of gifts...

- Contact [Rev. David Chafin](#) or [Rev. Thaddaeus Allen](#) (or call 304-428-1681)
- Contact [Rev. Darwin Collins](#), our Zone Vice-President with the Christian Church Foundation which partners with the Christian Church (Disciples of Christ) in West Virginia and the whole church to provide these types of gift instruments to Disciples.
- You can also call Rev. Collins at (412) 337-4293, or [visit the Foundation's website](#) and click "Planned Giving."

The Christian Church in West Virginia does not render legal, tax or other professional advisory services. Advice from an attorney and other professional advisors should be sought when considering charitable giving.