

# General Information

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## Gifts of Cash

- Deductible up to 60 percent of adjusted gross income (AGI) for those who itemize deductions.
- The higher your tax rate, the more you generally save from a charitable deduction.
- Gifts completed this year may save more than in the past as higher tax rates now apply for some taxpayers.
- Limitations on overall itemized deductions may apply for higher income taxpayers but state taxes, mortgage interest and other common deductions will normally absorb these reductions whether or not charitable gifts are made.

## Special Rules for Gifts of Certain Property

- Generally deductible for full fair market value up to 30 percent of AGI for itemizers.
- Capital gains tax, including the Medicare contribution tax on unearned income, is avoided when long-term property is given.
- Increased capital gains tax rates can make giving in this way more attractive.
- Special rules apply to gifts of real estate.
- If the use by a charitable recipient of donated tangible personal property such as art, jewelry, etc. is related to the charity's objectives, you are entitled to a deduction for the full fair market value of the property.
- If the use of such property is unrelated to the charity's objectives, the deduction is limited to the lesser of cost basis in the property or its market value.

## Carryover Provision

If more than the deductible limit is given in one year, excess deductions may be carried over for use in up to five future years.

## Estate Tax Deduction for Gifts

There is an unlimited deduction for cash or other property given to a qualified charity at death.

Check for the most recent federal and state tax law provisions.

*See IRS publications 526, 561 and 1771 for helpful information about substantiating your gifts, appraisal requirements for larger gifts of property other than marketable securities and other matters. Your advisors can help you determine how various provisions may apply to you.*

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