

The Institute for Humane Studies
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3434 Washington Blvd
Arlington, VA 22201
Main Website: TheIHS.org
Gift Planning Website: IHSlegacy.org

Gifts of Appreciated Securities

Maximize value,
Increase income,
Avoid taxes

Unleash the Value of a "Double Benefit"

The phrase "low-yield asset" may be familiar to you, if you have invested over the past two or three decades. Now the most frequently asked question is when to sell your assets.

If you are like many people you will pay significant tax on the sale of your assets. This tax instantly reduces any cash proceeds you may receive from the sale. There is a way to avoid taxes and benefit charity with your investments. This is good news for anyone whose objectives include philanthropy.

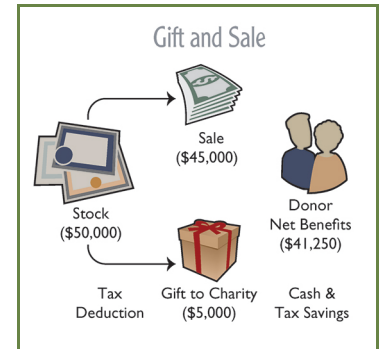
Eliminate 100% of Capital Gains Tax

Many Americans will take stock of their investment portfolio this year and discover that they own one or more assets that produce little or no income.

They will consider simply selling the asset and reinvesting the proceeds in a way that will generate greater income.

Unfortunately, if you follow this strategy you will lose some of the value of your asset to capital gains tax.

If you own highly appreciated assets and would like to turn these assets into cash without paying tax on the appreciation, let us show you how!



The Gift and Sale Strategy

Several years ago, Susan and Kevin invested \$10,000 in a stock they believed was destined to grow. They were right. The current value of their stock is five times its original cost! However, it produces very little income. The couple had two objectives prompting them to consider selling the stock. They wanted to:

- Make a charitable contribution
- Reinvest to generate more income

The illustration shows the tax benefit of the Gift and Sale plan. Prior to selling the stock, Susan and Kevin gave 10% (\$5,000 in value) of the stock to charity.

This gift resulted in a charitable income tax deduction that saved them taxes.

Also the capital gains tax due on the \$5,000 of stock given to charity is completely bypassed—saving another \$600! Finally, the income tax savings partly offsets the capital gains tax due on the \$45,000 of stock sold by the couple.

So, by giving a portion of the stock prior to any sale, Susan and Kevin made a \$5,000 charitable gift, and reinvested the net proceeds after taxes.

A Gift and Sale plan may be structured to produce an income tax deduction that completely offsets taxes due.

Stock Gift Instructions:

Brokerage:

Merrill Lynch
11951 Freedom Drive
Freedom Square, 17th Floor
Reston, VA 20190

Account #:

86Q-04013

ABA #:

044-000-804

DTC #:

8862

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