



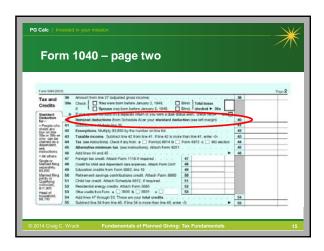
Gro	oss Income	
Income	7 Wages, salaries, tips, etc. Attach Form(s) W-2	7
ncome	8a Taxable interest. Attach Schedule B if required	8a
	b Tax-exempt interest. Do not include on line 8a 8b	
Mach Form(s) V-2 here, Also	9a Ordinary dividends. Attach Schedule B if required	9a
ttach Forms	b Qualified dividends	
W-2G and	10 Taxable refunds, credits, or offsets of state and local income taxes	10
099-R if tax	11 Almony received	11
was withhold.	12 Business income or (loss). Attach Schedule C or C-EZ	12
	13 Capital gain or (loss). Attach Schedule D if required. If not required, check here 🕨	13
f you did not set a W-2.	14 Other gains or dosses). Attach Form 4797	14
ee instructions.	15a IRA distributions . 15a b Taxable amount	15b
PPP 11 10 0 00 00 10.	16a Pensions and annuities 16a b Taxable amount	165
	17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17
Enclose, but do	18 Farm income or (oss). Attach Schedule F	18
ot attach, any ayment. Also,	19 Unemployment compensation	10
please use	20a Social security benefits 20a b Taxable amount	205
Form 1040-V.	21 Other income. List type and amount	21
	22 Combine the amounts in the far right column for lines 7 through \$1. This is your total income >	20



Adj	ust	ed Gross Income			
	22	Combine the amounts in the far right column for lines 7 through : Educator expenses	21. This is your total income 23	•	22
Adjusted Gross	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2105-EZ	24		
Income	25	Health savings account deduction. Attach Form 8889 .	25		
	26	Moving expenses. Attach Form 3903	26		
	27	Deductible part of self-employment tax. Attach Schedule SE .	27		
	28	Self-employed SEP, SIMPLE, and qualified plans	28		
	29	Self-employed health insurance deduction	29		
	30	Penalty on early withdrawal of savings	30		
	31a	Almony paid b Recipient's SSN >	31a		
	32	IRA deduction	32		
	33	Student loan interest deduction	33		
	34	Tuition and fees. Attach Form 8917	34		
	35	Domestic production activities deduction. Attach Form 8903 Add lines 23 through 35	30	-	36
	30	Subtract line 36 from Se 22. This is your adjusted gross			36


Form 1040 – page two           First UNIONS           Tax and 36 Ansurt from the 37 (relianting grass income)           Sec.           Sec.           Sec.           Sec.           Sec.	
Fires State (press) Tax and 38. Answer from the 37 (eductined gross income) 38.	
Tax and 38 Amount tom line 37 (adjusted gross income) 38	
Tax and 38 Amount tom line 37 (adjusted gross income) 38	
Tax and 38 Amount tom live 37 (industed gross income)	
	Page 2
39a Check J U You were born before January 2, 1948. Blind   Total bases	115
Credits # Goouse was born before January 2, 1940. Dind, deeded > 38e	
Standard B If your apouge ternizes on a separate return or you were a dual status alien, check here > 396	
Deduction 40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) . 40	_
Prepio who     41     Subscription disk and and     41     41	
ObeX any Examplions. Multiply \$3,850 by the number on line 6d 42	
who can be	
dependent.	
tee as Anternative measurement as gees instructionally Action Form 62/61 46	
All others     47 Foreign tax unedit. Attach Form 1116 if required	
Married filing 48 Credit for child and dependent name expenses. Attach Form 2411 48	
Approxidely, 49 Education credits from Form 6082, line 19	
Married tiling 50 Retirement savings contributions credit. Attach Form 8880 50	
Gualitying 51 Child tax credit. Attach Schedule 6812, if required 51	
\$11,900 By Personal every creats. Atlact Port does By	
Haad of 53 Other cradis from Form a 3900 b 8001 c 53	
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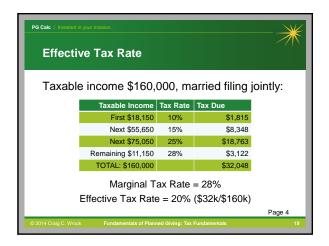


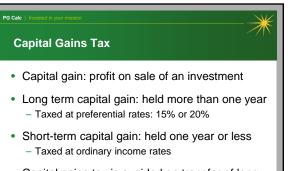
For	m 1040 – page two		
Form \$540 (201	a		Pa
Tax and	38 Amount from Irre 37 (adjusted gross income)	ALTERNAL TRANSPORT	38
Credits		Bind Total boxes	1990
		Blind. I checked ► 39e	
Standard Deduction	b If your spouse itemizes on a separate return or you were a dual-stat		
for-	40 Itemized deductions (from Schedule A) or your standard dedu 41 Subtract line 40 from line 30	ction (see left margin)	40
<ul> <li>Paspie who sheck any</li> </ul>	41 Subtract line 40 from line 30 42 Ease down wangly \$3,800 by the number on line 6d	and a state of the	41
Dox on line 30e or 50b er	42 Taxable income. Subtract line 42 from line 41. If line 42 is more	then line \$1 enter de	40
who can be claimed as a	44 Tentes petroctorel, Check E an York, a Formisi 8814 b		
dependent.	45 Alternative minimum tax (see instructions) reservices 1		45
inshuctiona.	46 Add lines 44 and 45		40
+ All others: Sincle or	47 Foreign tax uredit. Attach Form 1116 if required	47	
Married filing securately.	48 Credit for child and dependent care expenses. Attach Ferm 2441	48	
\$5,950	49 Education credits from Form \$982, line 19	43	
Married filing	50 Retirement savings contributions credit. Attach Form 8880	50	5
Qualitying malander.	51 Child tax credit. Attach Schedule 5812, if required	51	1
\$11,900	52 Residential energy credits. Attach Form 5695	52	
Head of household.	54 Add lines 47 through 50. These are your total credits	-83	54
A8.700	54 Add times 47 through 53. These are your total credita 55 Subtract line 54 from line 40. If line 54 is more than line 40, enter		55
90.797			

- Graduated and Progressive Rates
- Rates apply to *taxable* income
- Rates range from 10% to 39.6%
- Effective rate is less than marginal rate
- Charitable deductions reduce taxable income saving taxes at *highest marginal rate*

PG Cale   Invested in your 1	nteson Rates – Married		-iling Joi	ntly	*
	Taxable Income		Tax Rate		
	\$1 to \$18,150	-	10%		
	\$18,151 to \$73,800	-	15%		
	\$73,801 to \$148,850	-	25%		
	\$148,851 to \$226,850	-	28%		
	\$226,851 to \$405,100	-	33%		
	\$405,101 to \$457,600	-	35%		
	\$457,601 and over	-	39.6%		
					Page 3
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• Capital gains tax is avoided on transfer of long term capital gain property to charity

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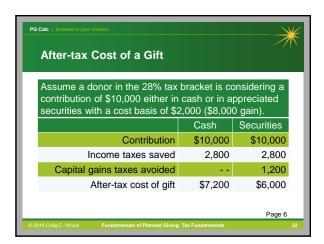
- Publicly traded securities: average between high and low prices on date of gift
- Other non-cash gifts: "fair market value" price arrived at between willing buyer and a willing seller …

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Page 7

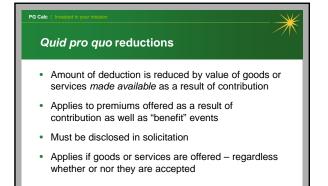
• More than \$5,000 – qualified appraisal required to determine value



# Deduction Limitations

PG Calc

- 50% of AGI maximum deduction in any one year for cash contributions
- 30% of AGI maximum deduction for contributions of appreciated property
- 5-year carryover for unused deductions
- 30%/20% of AGI limits for gifts "for the use of" rather than "to" charity (e.g. private fdns)



Page 8

Date of Gift	
date of gift – gener surrenders control	Ŭ
By mail	Postmark
Delivered	Date delivered
Delivereu	
Credit card	Date charge authorized
	Date charge authorized Date completed by bank
Credit card	0

# Substantiation Requirements

- Donors must have written acknowledgement to substantiate charitable deductions
- Non-cash gifts

PG Calc

- \$500 or less estimate value on Schedule A
- \$501 through \$5,000 estimate value, complete Form 8283 explaining valuation methodology\*
- Over \$5,000 qualified appraisal, complete Form 8283 with charity acknowledgement

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* Deductions over $500 for contributions of clothing require appraisal
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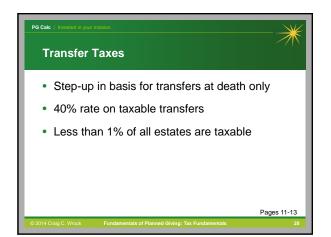
#### **Transfer Taxes**

- Tax paid by the giver whenever something of value is given to another individual
- Annual gift exclusion: \$14,000 per individual
- Lifetime exclusion: \$5.34 million tax free

Funda

- Cumulative total of lifetime gifts plus gifts at deathUnlimited exclusion on transfers to spouse
- Portability of unused deceased spousal exclusion

Pages 11-13



# State Taxes

PG Calc

- State tax laws affect after-tax cost of giving
- State income taxes
- Charitable deduction limitations
- State estate taxes, different thresholds
- Most State taxes are deductible for Federal income tax purposes

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#### **Split Interest Deductions**

- Donor makes irrevocable contribution but retains right to receive income
- Deduction is for amount contributed minus estimated value of right to income
- Larger deductions: older and fewer beneficiaries, smaller payouts
- Smaller deductions: younger and more beneficiaries, higher payouts
   Pages 14-15
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   Fundamentals of Planned Giving: Tax Fundamentals

#### PG Calc | Invested in your missio



Published monthly by IRS

**Charitable Midterm Federal Rate** 

- · Can use rate for month of gift or prior 2 months
- · Affects deductible amount for most planned gifts
- Highest rate: max. deduction for CGAs, CRTs (but minimizes CGA tax-free portion)
- · Lowest rate: max. deduction for CLTs, RLEs

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