## **Charitable Stock Contributions**

## Why consider donating stock?

- Tax deduction for the full fair market value of stock
- Avoid paying capital gains tax on sale of stock
- Decrease over concentrated position
- Help make a difference without using cash

## How does it work?

	Selling Stock & Donate	Donating Stock
	Proceeds	
Current Stock Value	\$20,000	\$20,000
Purchase Value (Cost Basis)	\$5,000	\$5,000
Capital Gains	\$15,000	AVOIDED
Capital Gains Tax (20%)	\$3,000	NONE
Charitable Contribution	\$17,000	ALL \$20,000
(Value - Tax)		
Tax Benefit (28% bracket)	\$4,760	\$5,600
Net Tax Benefit	\$1,760	\$5,600
(Tax Savings-Taxes Paid)		

In this example, you will increase your tax deduction to \$5,600 and avoid paying capital gains tax of \$3,000. In addition, we are able to have a greater impact as a charity if you gift appreciated stock rather than selling it first, paying capital gains tax and donating the proceeds.

## I'm ready to help!

- Please contact your accountant if you have questions related to your specific situation and how you may benefit.
- Contact AEF at 510-337-7189 or your favorite charity.



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AEF does not give financial advice. This is for informational purposes only. Please consult with your accountant or financial planner for specific recommendations based on your particular scenario.