

# **Donating Stock**

## **What you need to know**

**Border buddies Ministries has an account with LPL Financial**

### **Information you will need**

**Account No. : 1826-2770**

**DTCC Code: 0075**

**Account Name: Border buddies ministries, Inc.**

**Contact: Justin Faulkner, CRPS® - Financial Consultant**

**Cell: 607-857-6691**

**Office: 607-737-3967**

# Benefits of Donating Stock

- **No tax on capital gains**
- **Deduction for the market value of the donated stock as a charitable donation**

# Example of how this works

Let's say you bought stock for \$10,000 last May and today it's worth \$20,000. You plan to donate the entire amount to a charitable organization.

If you sold the \$20,000 stock instead of donating it, you would pay capital gains tax on the \$10,000 gain in value. The tax rate for long-term capital gains is 15 percent. Therefore, the tax savings for donating rather than selling the stock would be \$1,500 ( $10,000 \times 15\%$ ).

In addition, you can claim a deduction for the market value of the donated shares – the full \$20,000 – as a charitable donation deduction. If you are in the 25% federal tax bracket, this could generate another \$5,000 ( $20,000 \times 25\%$ ) in tax savings. This brings your total tax savings to \$6,500. If you are in a higher tax bracket, your donation deduction will be even more. Also consider this: you are giving a gift that is two times what it originally cost you.