

What does **Tax Reform** Mean for Your Donations?



What's the Biggest Change?



Because the amount of the standard deduction was virtually doubled in the recent tax reform legislation, fewer people will be itemizing their deductions. You can only use your charitable gifts as deductions if you itemize, therefore there will be fewer people that will be able to use gifts given out of their standard accounts (via cash, check, credit card, etc.) to lower their taxable income.



So What?



While most people who give to Lutherdale do so because they believe in our mission of providing Life Changing Adventure and not just because they want a tax deduction, we recognize that many people took advantage of their yearly contributions for their tax purposes. **For those looking to gain tax benefits from their contributions to Lutherdale, here are two options that may be of interest:**



The IRA Charitable Rollover

If you are taking a yearly required distribution from an IRA and are at least 70 1/2 years old, you can direct your distribution to charity. This transfer is called a Qualified Charitable Distribution (QCD). While you cannot use a QCD as a tax-deduction, it does reduce your taxable income. Because an IRA distribution is taxable income, if you direct it to Lutherdale before withdrawal, you lower your annual income. This may mean a lower income tax rate, less tax on Social Security Income, lower Medicare premiums and more. Talk to your tax professional for more info.

The QCD transfer is an easy process that you set up with your IRA provider before taking the distribution. A check is sent directly from your IRA provider to Lutherdale and we send you a gift acknowledgement letter.



Stock Transfer

If you own stocks, mutual funds, or other securities and have owned them for more than one year, it can be a tax advantage to use them as a charitable gift.

When you give in this way, you can still claim a deduction for the full market value of the security, and you avoid paying capital gains tax that would be owed if you sold those securities. This opportunity is available regardless of whether you itemize deductions or not.

Making a charitable donation of a security to Lutherdale is an easy process. Instruct your financial advisor to transfer the shares through our Brokerage Account (contact us for the account info). We sell the shares and receive a check for the amount. Once we receive the check you receive a gift acknowledgement letter.

Questions on your donations? Contact Jeff Bluhm—jeff@lutherdale.org, 262-742-2352