

HOW TO SAVE TAXES WHILE CONTRIBUTING TO THE CHURCH

YOU HAVE AN IRA AND ARE 70 1/2 –

You can make a charitable contribution directly from your IRA account to the church. Qualified Charitable Distributions (QCDs) can satisfy all or part of your Required Minimum Distribution (RMD) and are excluded from taxable income—an even better outcome than a charitable deduction. All you have to do is instruct your broker how much or what portion of your IRA to send directly to Lower Providence Presbyterian Church.

YOU HAVE APPRECIATED STOCKS –

When you give securities that you have owned for more than a year, you realize a double tax benefit. You receive a deduction for the current market value AND you are not taxed on the capital gains.

AS AN EXAMPLE... You bought a stock for \$2000. The stock is now worth \$10,000. If the stock was sold at 15% tax rate you would pay \$1200 in capital gains taxes. The federal tax savings from the deduction, because of a now lower net worth, is \$3300 and you avoid \$1200 in capital gains. The total tax savings are \$4500 and the net cost of the \$10,000 gift is \$5500, just over half of the amount of the gift. The church does not pay taxes on your contribution either.

If you would like help with tax advantaged giving, contact the church office, who will put you in touch with the Revenue Team.