

## Stock gift

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- Wiring instructions:

JPMorgan Chase Bank N.A.  
New York, NY  
ABA#: 021000021  
Credit: Thurston Springer  
DTC Participant #0235  
Acct.: 89403409  
FFC: The Center for the Performing Arts

- Please have your bank or broker inform the Center directly of the transfer. Contact:

Leslie Hoggatt, Individual Gifts Officer  
Phone: 317.819.3528  
Email: LHoggatt@TheCenterPresents.org

with the following information:

Name of donor  
Name of the security  
Number of shares  
Date of the gift

- The Center has instructed our broker to sell the stock immediately.

- Our broker is:

Thurston Springer  
9000 Keystone Crossing, Ste. 740  
Indianapolis, IN 46240  
Primary Contact: Shelley Stergar  
Direct: 317-581-3984  
Toll-Free: 800-433-8049  
Fax: 317-581-4014

as of February 3, 2015

## Comparing the benefits of giving cash vs. stock

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### **CASH:**

A cash gift is the simplest way to make a contribution to the Center. Cash gifts are deductible for income tax purposes up to 50% of your adjusted gross income. A gift in excess of that limit can be carried forward as a deduction for up to five additional years.

### **APPRECIATED SECURITIES:**

You may find it more beneficial to give securities that have appreciated in value. Securities can include closely held or publicly traded stock and mutual fund shares. If you sell appreciated securities, you will incur a taxable gain. By giving the Center securities that have been held more than 12 months, you receive a double tax benefit:

- You avoid capital gains tax on the appreciation.
- You may receive a charitable income tax deduction for the full fair market value of the securities.

Gifts of appreciated securities are deductible up to 30% of your adjusted gross income. A gift in excess of that limit may be carried forward for up to five years.

*Questions? Please contact:*

*Leslie Hoggatt, Individual Gifts Officer  
317.819.3528, LHoggatt@TheCenterPresents.org*

*The Center for the Performing Arts  
355 City Center Drive, Carmel, IN 46032*

THE CENTER  
FOR THE  
PERFORMING ARTS  
HOME OF THE PALLADIUM

## Advantages of giving appreciated stock to the Center for the Performing Arts

Information presented in this brochure is not offered as financial planning or tax advice. Examples given may or may not apply to your own situation at the time of your gift.



# Give appreciated stock to the Center for the Performing Arts

## Why a Stock Gift to the Center?

There are advantages to giving appreciated securities to the Center for the Performing Arts. Donating securities that have gone up in value and have been held more than 12 months can have a double tax benefit for you.

**How?** You may be able to deduct the full fair market value of your appreciated stock – not just what you paid originally – and save again by avoiding all capital gains taxes on your “paper” profit.

Take the example of Mrs. Indiana. The stock she purchased in 2005 for \$2,500 is now worth \$10,000. If Mrs. Indiana donates the stock instead of cash, the Center for the Performing Arts receives a gift

of \$10,000 – the fair market value of the stock – and she can claim a \$10,000 charitable deduction on her next income tax return.

**In 2015**, if she is in the 28% tax bracket, that’s a tax savings of **\$2,800**. Further, she avoids **\$1,125** in capital gains tax that would be due if she sold the stock ( $\$10,000 - \$2,500 = \$7,500 \times 15\%$ ). Net result: Rather than selling the stock, giving \$10,000 in cash to the Center and paying the capital gains tax, she could give the stock to the Center and enjoy a **\$3,925** tax savings on an investment that cost \$2,500.

The chart below shows the potential federal tax savings of this gift in different tax brackets.

## Valuation

For an actively traded security, the valuation of your gift to you is the mean (average) between the high and low market quotations on the date you make your gift. The IRS defines your “gift date” as the date the securities pass unconditionally from your control. If transferred electronically, this is the date you instruct your broker in writing to make the transfer. Otherwise, it is the date of mailing or otherwise delivering the certificate(s) in negotiable form to the Center for the Performing Arts.

For the Center, the valuation of your gift is the proceeds received into the Center’s account when the stock is sold.

For mutual fund shares, the valuation of your gift to you is the public redemption value of the shares.

## Split certificates

The certificate held by you may be for more shares than you wish to contribute to the Center. If so, when you deliver the certificate, include instructions indicating the number of shares you are donating. The corporation will issue and send you a new certificate – registered in the same way as the original certificate.

The potential federal tax savings from a gift (versus a sale) of securities in 2015 purchased for \$2,500, held for at least 1 year + a day, and now worth \$10,000 is:

Federal tax bracket	10%	15%	25%	<b>28%</b>	33%	35%	39.6%
Income tax saving	\$1,000	\$1,500	\$2,500	<b>\$2,800</b>	\$3,300	\$3,500	\$3,960
Plus: Long-term capital gains tax savings	\$0 ( $\$7,500 \times 0\%$ )		<b>\$1,125</b> ( $\$7,500 \times 15\%$ )				\$1,500 ( $\$7,500 \times 20\%$ )
Plus: 3.8% Medicare surtax* savings	–			\$285 ( $\$7,500 \times 3.8\%$ )			
Total federal tax savings	\$1,000	\$1,500	\$3,625	<b>\$3,925</b>	\$4,710	\$4,910	\$5,745
Net cost to you of your contribution	\$9,000	\$8,500	\$6,375	<b>\$6,075</b>	\$5,290	\$5,090	\$4,255
<b>In addition, you have the potential of Indiana state tax savings.</b>							

\* The 3.8 % Medicare surtax applies to taxpayers with a modified adjusted gross income of \$200,000 (individuals) or \$250,000 (couples)

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