



## REAL ESTATE AS A CHARITABLE GIFT: HOW TO TAKE ADVANTAGE OF REAL (AND SUBSTANTIAL!) TAX SAVINGS & BENEFITS

Did you know that 99% of all privately held wealth in the United States is held in non-cash assets?

In fact, more than \$53 trillion dollars in wealth is held in real estate alone, which shouldn't be all that surprising given that, for most of us, our homes are the single most valuable asset that we own.

What's more surprising, however, are the often overlooked tax advantages you can receive when you consider giving real estate as a gift to your favorite charity or ministry, such as First Liberty.

The benefits and impact of both can be truly dramatic.

This is especially true as you plan your estate heading into retirement or the "empty nest" phase of life. By making an investment in First Liberty, you can realize substantial tax savings while continuing to foster our ability to protect religious freedom for future generations, including your children and grandchildren.

### Here are just a few things to consider:

1

**Reducing Tax Liability:** Whenever we sell property, we may be subject to tax liability in the form of "capital gains tax." There are ways that the tax code makes allowances to reduce that liability.

**Example:** A couple who sells their primary residence gets significant deductions from the sale price of the house that often reduces capital gains tax liability to zero. But what if the property is rental property, a vacation home, or where they once operated a business or professional office? Most of those generous deductions don't apply and the seller can be liable for capital gains tax that amounts to between 15% and 23.8% of the profit made from the sale.

2

**Selling A Second Home:** Are you not quite ready to give up a beach condo or second home, but can see that time approaching? There are ways to make a charitable gift to First Liberty today that will allow you to use that property for as long as you like—even for the rest of your life—but realize significant tax savings now and in the future.

3

**Warm Days Ahead:** It is very common to look forward to retiring to warmer climes with year-round golf, swimming, and entertainment. There are creative ways to structure a gift to First Liberty that can reduce or entirely eliminate capital gains tax liability when downsizing to a retirement home.

Real estate transactions, just like the property themselves and the owners who are selling them, are all unique. In many cases there may be environmental studies that are required before transferring an asset to First Liberty. So as you begin looking at your own circumstances and start planning your legacy giving effort, First Liberty has access to a specialized attorney known to us who would be available to help answer your questions.



For more information about how you can enjoy the special tax benefits of the CARES Act and utilize other planning vehicles to create a legacy giving program to FLI, contact your tax advisor or feel free to contact **Trey Dimsdale**, an FLI attorney who manages our legacy giving initiative.

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\* First Liberty does not provide estate planning or tax advice, and assumes no responsibility for the suitability to your situation of tax planning techniques referenced here. To reach your philanthropic goals, you should seek advice from estate planning professionals concerning your individual situation.