

Real Estate Gifts

If you have owned a home, a vacation home, acreage, or a farm for many years, a charitable gift of that real estate can be especially tax-advantageous.

The property may have appreciated so significantly in value over the years that its sale would result in a sizable capital gains tax. If you give the property outright, you avoid the tax and at the same time realize a charitable deduction for the full fair market value of the real estate. Also, you could consider a gift of your personal residence or farm while reserving the right to continue to live in the house or farm for life and, if applicable, the lifetime of your surviving spouse.

Through such an arrangement, you will be entitled to a current income tax deduction for a portion of the fair market value of the property. All real estate gifts require approval by the Executive Committee of ACCF.

Advantages

A real estate gift can unlock the full appreciated value of property, allow you to achieve your charitable goals, and provide you with the maximum benefits allowed by law. This can include:

- Attaining a level of giving you might not have considered possible through an asset you currently own
- Receiving the maximum tax deduction allowed by law
- Avoiding capital gains tax
- Attaining personal financial goals while supporting your favorite charity or charities
- Participating in an opportunity which allows you to diversify your assets and establish an income stream for the course of your lifetime
- Achieving immediately your dreams of charitable giving.

Types of Property

A real estate gift may be made with the following types of property:

- Undeveloped land
- Family farm
- Personal residence
- Townhouse
- Condominium
- Vacation home

Methods of Gifting Real Estate

Real Estate can be contributed in the following ways:

- **Will and Bequest**
- **Outright Gift**

Transfer the title and all legal interests to ACCF and you are often entitled to a charitable deduction of the full fair market value of the property. "Fair Market Value" is determined by an appraisal you obtain within 60 days of the date of the gift.
- **Retained Life Estate**

An irrevocable assignment of your home to charity at your death means that you continue to pay the taxes, maintenance, and insurance on the property and enjoy the right to live in and use the property until your death. You may claim a charitable income tax deduction.
- **Charitable Remainder Trust**

By transferring appreciated real estate to a charitable remainder trust you can receive both tax advantages and an income for life or a term of years, after which trust assets pass to the ACCF. Authority is given to ACCF to sell the property.
- **Charitable Gift Annuity**

A simple contract between you and the Foundation, whereby you transfer real property to the Foundation in exchange for a promise by the Foundation to pay you and/or another beneficiary a fixed dollar amount for life. This promise is secured by all of the assets of the Foundation. You receive a charitable income tax deduction in the year of the gift and avoid any immediate applicable capital gains tax. Also, part of an annuity payment may be tax-free.