

## Why give stock to the Capitol?

There are advantages to giving appreciated securities to Rome Capitol Arts Complex. 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 assets—not just what you paid originally—and save again by avoiding all capital gains taxes on your “paper profit.” Take the example of Mrs. Smith. The stock she purchased in 1995 is now worth \$10,000. If Mrs. Smith gives the stock instead of cash, the Rome Capitol Arts Complex receives a

(cont.)

New in 2018, Long-Term Capital Gains (LTCGs) have their own brackets, and are no longer tied to the ordinary income brackets. The potential tax savings from a gift of securities purchased for \$2,500, held for at least one year and one day, and now worth \$10,000 is:

Tax Bracket	12%	22%	24%	32%	35%	37%
Charitable deduction tax savings	\$1,200	\$2,200	\$2,400	<b>\$3,200</b>	\$3,500	\$3,700
Plus: Long-term capital gains tax savings	\$1,125 (\$7,500 x 15%)					\$1,500 (\$7,500 x 20%)
Total tax savings	\$2,325	\$3,325	\$3,525	<b>\$4,325</b>	\$4,625	\$5,200

In addition, you have the potential New York state savings.

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 a 32% bracket, that's a tax savings of \$3,200. Furthermore, she avoids \$1,125 in capital gains taxes that would be due if she sold the stock ( $\$10,000 - \$2,500 = \$7,500 \times 15\%$ , the current tax rate on long-term capital gains for that income bracket). **NET RESULT:** Rather than giving an equivalent amount of cash or selling the stock and paying \$1,125 in capital gains taxes and, instead, by giving the stock to Rome Capitol Arts Complex, she will enjoy a \$4,325 tax savings on an investment that cost \$2,500.

**THE CHART BELOW** shows potential savings of this gift in the different tax brackets.

## VALUATION

For an actively traded security, the gift value is the mean (average) of its high and low market quotations on the date the security passes unconditionally from your control. For securities transferred electronically, this is the date you instruct your broker in writing to make the transfer. Otherwise, it is the date you deliver the certificate(s) in negotiable form to Capitol Civic Center, Inc.

- **Mutual Fund Shares.** The deduction is the public redemption value of the shares.
- **Split Certificates.** You certificate held by you may be for more shares than you wish to contribute to Rome Capitol Arts Complex. If so, when you deliver the certificate, include instructions indicating the number of shares you are donating. Your instructions will be followed, and the corporation will issue and send you a new certificate—registered in the same way as the original certificate.

**PLEASE NOTE:** Capitol Civic Center, Inc. is the official not-for-profit corporation that governs Rome Capitol Arts Complex. For tax purposes, our federal identification number is 22-2600068.

## COMPARING THE BENEFITS: GIVING CASH OR GIVING APPRECIATED SECURITIES

### Cash

A gift of cash is the simplest way to make a contribution to Rome Capitol Arts Complex. Cash gifts are tax deductible to the full extent of the law. A gift in excess of the charitable deduction income percentage limit can be carried forward as a deduction for up to five additional years.

### Securities

You may find it more beneficial to give securities that have appreciated in value. If you sell appreciated securities, you will incur a taxable gain. By giving the Capitol Civic Center, Inc. securities that have been held more than 12 months, you will receive a double tax benefit:

- You avoid capital gains tax on the appreciation, and
- You will receive a charitable income tax deduction for the full fair market value of the assets.

Gifts of appreciated securities are tax deductible to the full extent of the law. A gift in excess of the charitable deduction income percentage limit can be carried forward as a deduction for up to five additional years.

## PROCEDURES:

WHEN THE SECURITY IS HELD BY YOU,  
PLEASE CALL AND ASK FOR INSTRUCTIONS:

Joseph A. Gunther, CFP®  
(315) 336-3070  
203 West Dominick Street  
Rome, NY 13440

WHEN THE SECURITY IS HELD BY YOUR  
BROKER OR A BANK:

- The securities may be transferred electronically to the account of the Capitol Civic Center, Inc.
- Have your bank or broker phone Joseph A. Gunther, Joseph A. Gunther, CFP® at (315) 336-3070 for instructions as to how this can be accomplished.
- Send your broker written confirmation of your verbal instructions promptly, and send a copy of this letter of transmittal to Kylie Pierce at Rome Capitol Theatre. Give your name, address, what and how many securities are being transmitted, and the purpose of your gift. Having that information will expedite recognition of your generosity.

We recommend that you consult your tax advisor when considering a gift of appreciated securities.

## CONSIDER GIVING AN APPRECIATED STOCK GIFT

FUND THE FUTURE

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