



OWLS HEAD TRANSPORTATION MUSEUM
CAPITAL CAMPAIGN

Ways of Giving

Supporters of the Owls Head Transportation Museum may choose from a wide variety of methods for making gifts to the campaign. Outlined here are a few of these methods, but donors are encouraged to consult with their personal financial advisors for the one(s) best suited to meet their goals.

By carefully selecting the assets to be used in making a gift, a donor can achieve more than one objective. The primary reasons for making a contribution are the accomplishments that come about as a result of that gift and the personal satisfaction that is gained. While tax benefits are rarely the primary motive for giving, once a decision to contribute has been made, the donor should consider the opportunities for gift enhancement available in the tax structure.

Note: changes in the tax laws may alter the information given here. Consult your tax advisor for up-to-date information as it pertains to your situation.

Cash

Cash contributions give the Owls Head Transportation Museum capital that is immediately accessible and allow the donor to deduct the amount of the gift as an itemized deduction in computing his/her income tax. Most donors find they are able to make more significant contributions and accommodate personal cash flow more easily if pledge payments are spread out over a 60-month or five year tax period.

The actual amount of savings each donor realizes in tax payments depends on the level of income. For those in the highest personal income tax bracket of approximately 40%*, the actual cost of the gift after deductions is 63% of the amount given. Thus, a \$10,000 gift could produce a \$4000 tax savings resulting in a net gift cost of only \$4000.

**Note: tax bracket is estimated to be lower than the sum of the 37% federal and 7.5% Maine state rate because of the additional Maine state tax deduction as a result of the gift. Adjust as appropriate for other state tax rates.*

Giving Securities (Publicly traded, non-marketable or closely held securities)

For many donors, giving stock to the Owls Head Transportation Museum may be preferable to giving cash. Federal tax law offers special incentives for non-cash gifts of property, particularly if that property has appreciated in value. Your benefits include:

- You avoid capital gains tax. Any gain is taxable if you sell the stock yourself, but not if you give it to the Museum.
- Your charitable deduction for federal income tax purposes is based on the full fair market value of the stock on the date the gift is made.
- You receive credit from the Museum for all for the full fair market value of the stock, but the cost to you can be thought of as only the original purchase price.

Valuing a gift of securities: the value of a publicly traded security is the average of the high and low prices on the date of the gift prices are generally taken from the *Wall Street Journal*.

IRA and Retirement Assets

Using an IRA to make a charitable donation can help lower your tax bill and help the Museum. After age 70 and a half, Required Minimum Distributions become taxable income, unless the donor designates the Museum as the recipient of the funds. People who are age 70 ½ or older can contribute up to \$100,000 from their IRA directly to the Museum and avoid paying income taxes on the distribution. This is known as a qualified charitable distribution. It is limited to IRAs.

Real Estate and/or Personal Property

Gifts of real and/or personal property may be made as permitted by the Board of Trustees and existing policy. If the Museum accepts the donation, you either donate the item with an independent evaluation form a qualified appraiser or you use the sale price for the tax deduction if the Museum sells the gift.