

Stock Donations to Henrico CASA

Suppose you purchased 50 shares of Great Co. for \$500 and it has gone up and now the same 50 shares are worth \$1,500. You have two options if you want to make a charitable donation.

Option #1: Sell Stock

You sell the shares through a broker for \$1,500. You pay the tax on the gain of \$1,000 that you received when you sold the shares. If you held the stock for more than a year you pay a tax equal to 20% of the gain, \$200. You donate the remaining \$1,300. When you fill out your tax return, you get a \$1,300 charitable contribution deduction. If you are in a 28% tax bracket, you get a \$364 reduction in the amount of tax that you owe.

Option #2: Transfer Stock

You give the stock directly to CASA by asking your broker to transfer the shares to Henrico CASA's account at Charles Schwab & Company who then sells the shares for CASA. Charles Schwab sends you a letter for your tax records showing the high, low, and average price of the day. Let's say that the average price on the day you transfer the shares is \$30. CASA receives approximately \$1,500 for your 50 shares, you receive a tax reduction, assuming the same 28% rate, of \$420.

If you have any questions or wish to transfer stock, please contact Kim Anderson by email at and123@henrico.us for more details and instructions.