# 6 Charitable-Giving Strategies

Looking for ways to maximize your charitable giving while minimizing your taxes this year? Charitable contributions are tax-deductible for individuals who itemize deductions. Here are six ways you can give more while potentially reducing your tax bill:

1. **Donate appreciated non-cash assets instead of cash.**
   When you sell an asset and then donate the cash, you could end up paying capital gains tax. Donate appreciated non-cash assets held longer than one year directly to a charitable organization and eliminate the capital gains tax.

2. **Bunch two years of contributions in one year.**
   If your itemized deductions fall below the standard deduction amount, it could be beneficial to combine two years' worth of charitable contributions into one year. This increases your itemized deductions in the year the contribution is made and you can take the standard deduction the following year.

3. **Use a donor-advised fund.**
   Any cash and non-cash assets contributed to a donor-advised fund are tax-deductible in the year the contribution is made. But the money in the fund doesn't have to be distributed in the same year, giving you time to select charities and organizations to support.

4. **Donate cash from the sale of depreciated securities.**
   This strategy has two benefits: Capital losses can offset capital gains (up to $3,000 of ordinary income) in the tax year the securities are sold. Then you can donate the cash from the sale of the depreciated security for further tax reduction.

5. **Donate your RMDs.**
   If you're 72 or older, you must take Required Minimum Distributions (RMDs) from your qualified accounts, such as traditional IRAs. RMDs are taxable as ordinary income. Using a Qualified Charitable Distribution (QCD), you can direct up to $100,000 in RMDs to be sent directly to a charitable organization of your choosing. The entire amount of the QCD is tax-deductible for the year in which it is made.

6. **Offset taxes on withdrawals from a retirement account or Roth IRA conversion.**
   Distributions from a retirement account – such as a 401(k) or traditional IRA – are taxable, as are Roth conversions. Making a charitable donation can offset some of the taxes incurred from these events.

**Want to learn more about implementing these charitable giving strategies?** Contact us at 888.553.0122 or visit HobartWealth.com to schedule your free tax review.

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