**Harrison County Community Foundation**

**Charitable Giving Options for Farmers Detail**

**Gifts of Livestock**

* As inventory, the income tax charitable deduction is limited to cost basis and the deduction may be further reduced by production costs already deducted.
* Saves taxes by avoidance of potential income tax.
* Saves taxes by avoidance of potential self-employment tax.
* May be donated to a charitable remainder trust which would pay you extra retirement income from cash invested following the sale.
* Gift may be used to create a permanent fund at the Harrison County Community Foundation (HCCF) in your name serving a charitable purpose you choose.
* How it works:
1. Deed of gift to HCCF.

(Qualified independent appraisal required to claim *charitable* tax deduction over $5,000.)

1. Sale by HCCF at auction or other form of immediate sale.
2. Note: There cannot be a binding commitment to sell to a third party prior to gift.

**Gifts of Crops**

* As inventory, the income tax charitable deduction is limited to cost basis and the deduction may be further reduced by production costs already deducted.
* Saves taxes by avoidance of potential income tax.
* Saves taxes by avoidance of potential self-employment tax.
* Gift may not count as income in government payments limitation caps calculation.
* May be donated to a charitable remainder trust which would pay you extra retirement income from cash invested following the sale.
* Gift may be used to create a permanent fund with HCCF in your name serving a charitable purpose you choose.
* How it works:
1. Deed of gift to HCCF.

(Qualified independent appraisal required to claim *charitable* tax deduction over $5,000.)

1. Sale by HCCF at auction or other form of immediate sale.
2. Note: There cannot be a binding commitment to sell to a third party prior to gift.

**Gifts of Equipment**

* As tangible personal property put to an unrelated use by HCCF, the income tax charitable deduction is limited to cost basis.
* May be donated to a charitable remainder trust which would pay you extra retirement income from cash invested following the sale.
* Gift may be used to create a permanent fund with HCCF in your name serving a charitable purpose you choose.
* How it works:
1. Deed of gift to HCCF.
2. Qualified independent appraisal required to claim charitable tax deduction over $5,000.
3. Sale by HCCF at auction or other form of immediate sale.
4. Note: There cannot be a binding commitment to sell prior to gift.

**Gifts of Real Estate**

* Gift may be made in one of several forms:
1. Transfer title to all or a portion of real estate.
2. Transfer title to an undivided interest in whole of real estate.
3. Donate remainder interest (at death), retaining a life estate to use the farm and/or residence for the rest of your life.
* Income tax charitable deduction for all forms of gifts based on a qualified independent appraisal. The remainder interest gift deduction is discounted to reflect the life estate.
* Gift of fee or undivided interest may be donated to a charitable remainder trust which would pay you extra retirement income from cash invested following the sale.
* Gift may be used to create a permanent fund with HCCF in your name serving a charitable purpose you choose.
* How it works:

1. Deed of gift to HCCF.

2. Qualified independent appraisal required to claim charitable tax deduction over $5,000.

3. Sale by HCCF at auction or other form of sale.

4. Note: There cannot be a binding commitment to sell to a third party prior to gift.

**Each individual farmer’s situation is different, please consult your professional advisor for any legal or tax advice on a non-cash gift.** For general questions or more information, contact:

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