



# Tax-Smart Giving: The Power of Complex Assets



Unlock the full potential of your wealth by turning complex assets into powerful tools for philanthropy, maximizing both your impact and tax benefits. By donating complex assets—like real estate, private company shares, or artwork—you can liquidate complex assets to offset taxable income while avoiding capital gains. Complex assets help you make a greater impact and align your giving with your overall financial goals.



## Increased Charitable Impact

Giving complex assets allows for larger or more meaningful gifts than what might be feasible with cash alone.



## Enhanced Tax Efficiency

Many complex assets carry significant capital gains or other tax implications. Donating these assets can offset those taxes and provide substantial tax benefits.



## Strategic Asset Management

Leveraging complex assets can help you manage your portfolio in a creative way, aligning your investments with your philanthropic objectives.



# Categories of Complex Assets

Here's a breakdown of key categories of complex assets and how they can be used in your charitable giving:



## Private Business Interest:

*When to Use:* If you own shares in private companies, donating them can help avoid capital gains taxes and diversify your portfolio before a liquidation event.

*Example:* Shares of a family-owned business or startup.



## Artwork and Collectibles:

*When to Use:* If you have valuable art or collectibles, donating them can support a cause while avoiding capital gains tax on appreciated assets.

*Example:* Donating a valuable painting or rare collectible.



## Real Estate:

*When to Use:* Ideal for appreciated property you wish to donate, providing significant tax deductions and avoiding capital gains taxes.

*Example:* Donating a vacation home or commercial property.



## Partnership Interests:

*When to Use:* If you hold interests in partnerships or LLCs, you can make charitable contributions without liquidating your holdings.

*Example:* Interests in a real estate partnership or investment fund.



## Life Insurance Policies:

*When to Use:* If you want to make a significant future gift and receive immediate tax benefits, you can donate a paid-up policy or name a charity as a beneficiary.

*Example:* Transferring ownership of a life insurance policy or designating a charity as the beneficiary.



## Retirement Assets:

*When to Use:* To minimize estate taxes and ensure your retirement accounts are used effectively for charitable purposes.

*Example:* Donating retirement account balances as part of an estate plan.

# The Power of Complex Assets




## 01 Ukraine's Jewel: A Story of Impact

In 2022, Betsy wanted to support Ukraine but faced a dilemma: selling her emerald ring would trigger a 24% capital gains tax, reducing her charitable contribution. Instead, she donated the ring to a Donor-Advised Fund (DAF). This allowed her to avoid capital gains taxes and maximize her donation, with the full auction value going to Ukraine's relief efforts.



## 02 A Legacy Preserved: The Estate of Arthur "Skip" Maggiora



When the estate of Arthur "Skip" Maggiora, a music legend, needed to contribute \$4.8MM to charity to avoid estate taxes, a major challenge arose: his \$1.8MM guitar collection. With limited liquidity and a looming tax deadline, a quick solution was needed. By using the guitar collection to fund a DAF, the estate's liquidity issue was resolved, and potential IRS challenges were mitigated. This ensured that Skip's legacy will be honored through a DAF.





## 03 SPAC Stock Gift Saves \$360,000 in Taxes

When Lindsey's tech start-up went public as a SPAC, she faced significant capital gains taxes. Her financial advisor suggested using a Donor-Advised Fund (DAF) to offset these taxes and support her community. By donating \$18 million in stock to a DAF, Lindsey avoided \$360,000 in capital gains taxes and secured a charitable deduction. After the required lock-up period, the DAF sold the shares, and Lindsey's contributions continue to fund local charities, ensuring her success benefits others.

## We're Here to Help

Our expert team is ready to guide you in integrating these assets into your giving strategy. If you have questions, need assistance, or are considering an asset type not listed here, don't hesitate to reach out—we're here to help you explore all your options.

