PRIME

DONATED APPRECIATED *STOCK*



If you're planning to make a charitable donation and have investments that have grown in value, donating appreciated stock can be one of the most tax-efficient ways to give. Instead of selling the investment and donating the cash, you can transfer the shares directly to a qualified charity.

When you've held the asset for more than one year, you may be able to deduct the full fair market value at the time of the donation—while also avoiding capital gains tax on the appreciation. That means you're not only supporting a cause you care about, but potentially doing so in a much more tax-efficient way.

For many investors, this creates a powerful opportunity to give more while keeping more, especially when dealing with highly appreciated assets.

QUALIFICATIONS

This strategy could be a strong fit if the following apply to you:

- **You hold appreciated investments.** Stocks, ETFs, or mutual funds that have grown significantly in value are ideal candidates—especially if selling them would trigger a sizable capital gain.
- **You've held the asset long term.** Assets held for more than one year typically unlock the full tax benefit, allowing you to deduct fair market value rather than your original purchase price.
- **You're already planning to give.** This strategy works best when you have charitable intent and are deciding how to give, not whether to give.
- **You have enough income to benefit from the deduction.** Higher-income years tend to make this strategy more impactful, especially if you're looking to offset taxable income.
- **You itemize (or are close to it).** If you already itemize deductions—or this contribution would push you over the threshold—you're more likely to realize meaningful tax savings.

IMPLEMENTATION

For a detailed implementation checklist and other helpful resources, scan the QR code below or click **here**.



WHAT DOES THIS LOOK LIKE?

Let's say you purchased stock for **$10,000**, and it has grown to **$25,000** over time.

If you sell the stock, you would owe capital gains tax on the **$15,000** of appreciation before donating any proceeds. But if you instead donate the shares directly to a qualified charity, you may be able to deduct the full **$25,000** fair market value—while completely avoiding capital gains tax on the **$15,000** gain.

Same donation, very different tax outcome.

GOT QUESTIONS?

Email **decoder@primecorporateservices.com**
or contact **(855) 577-4639** for more information.

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