



A gift to the Indiana Medical History Museum can benefit the Museum AND YOU!

By donating appreciated stock or a part of, or all of a required minimum distribution (RMD), you receive a tax break and make money while doing good.

Here is the skinny- For donors over 70 ½, taking part or all of a mandated RMD and donating it to the IMHM can make sense. Otherwise, the distribution is pre-tax, so tax must be paid on the dispersed sum.

By donating the RMD directly to the IMHM, taxes are avoided. The distribution is not part of adjusted gross income (AGI). This may lessen the Medicare premium surcharge or tax levied on social security benefits.

There is more- What is unsaid in the above is that using appreciated stock for the donation to the IMHM can be a better way for many donors to make charitable contributions, because it can have a greater benefit in terms of taxes. This assumes the donor has appreciated stock, itemizes deductions, and is in a higher tax category.

Helpful example- Take, for example, an individual who is in the 30% tax bracket and has a \$10,000.00 RMD for the year. By transferring it directly to the IMHM, a 501(c)3 charity, the donor avoids the \$3,000.00 in tax to the government and has a lower adjusted gross income (AGI). The latter may be unimportant to this individual as her/his AGI is high already and \$10,000 more may make little difference.

But, if the same donor gives \$10,000.00 of appreciated securities held over a year with a cost basis of \$5,000.00, the contributor avoids paying 15% X \$5,000.00 or \$750.00 in long term capital gains tax liability. The donor also receives a tax deduction from the charity for \$10,000.00 which is worth \$10,000.00 x 30% or \$3,000 of tax savings. Thus, the donor's tax advantage for the securities donation is \$3,750.00- \$750.00 more than for the RMD tax benefit, \$3,000.

Always seek professional advice. Since the tax code is complicated, seeing one's accountant is the best way to calculate the pros and cons for anyone individual.

To contribute to the IMHM- Contributions can be made to: Indiana Medical History Museum
3045 West Vermont Street
Indianapolis, IN 46222

Donation of appreciated stocks: TD Ameritrade, Inc.
DTC #0188
FBO of Indiana Medical History Museum
Account #954-024266-1

For more information, please call the Museum at 317-635-7329 or email Sarah Halter at shalter@imhm.org.