

The New Tax Law and Giving to the Radiation Oncology Institute



As we celebrate the beginning of 2018, we are pleased to update ASTRO members and friends about the provisions affecting charitable giving to ROI with the *Tax Cuts and Jobs Act of 2017*.

The new law keeps the charitable giving deduction in place. For those who will continue to itemize their deductions, the charitable deduction for cash gifts has expanded from 50% AGI (adjusted gross income) to 60% AGI. We believe this change may benefit many donors, allowing them to make larger charitable gifts in the coming year. For gifts of property, the 30% AGI rule remains unchanged. Additionally, the new law repeals the *Pease Amendment* which phased out some of the benefits for itemized deductions, including charitable gifts for those with high incomes.

Donating appreciated stocks, bonds, or other assets instead of cash still avoids all capital gains taxes regardless of whether you itemize or not. If you don't want to change your investment portfolio, you simply take the cash you would have donated and use it to immediately buy identical stocks, bonds, or other assets to replace the donated ones. The portfolio doesn't change, but the "new" asset now has 100% basis, meaning that no capital gains taxes will be paid on any past appreciation.

Donor-advised funds are also left untouched. Another strategy would be to establish a donor-advised fund with a significant sum, including stocks and bonds, where you will avoid capital gains taxes and get the tax advantage for the entire value. Annually, you have a check from the donor-advised fund sent to ROI and other non-profits that you wish to support.

Overall, charitable giving remains beneficial for many taxpayers, including many ASTRO members and friends.

Due to the expanded standard deduction, some of ASTRO's members and friends may no longer be able to itemize their deductions under the new tax law. For many, charitable gifts can be the difference in being able to itemize or not. Those who experience lower income taxes may realize increased discretionary income and this could be spent, saved or donated to ROI and other non-profit organizations.

Donors considering charitable estate gifts that can provide retirement income back to them and their families will notice the new law included no changes to charitable remainder trusts, lead trusts, or other tax-qualified deferred gifts. Nor have any changes been made to the *Charitable IRA Rollover* provision which allows donors age 70 ½ and older to make *qualified charitable distributions (QCD)* from their individual retirement accounts which are excluded from income tax. This type of gift may in fact hold even greater attraction for older ASTRO members.

For donors wishing to make a charitable gift after their lifetime, the elimination of the federal estate tax for 99% of Americans will provide them with additional resources they could use to make philanthropic gifts.

We encourage you to consult with your tax, finance and legal advisors before making charitable gifts. We look forward to speaking with you about your support of ROI in the new year - your gifts matter as they support education and research in radiation oncology.