



Special Opportunity for IRA Gifts Available But Only Through 2009!

A creative way to make a charitable gift to KulshanCLT!

Charitable gifts from your IRA will be excluded from gross income, resulting in a 'tax-free' rollover, so long as:

- You are 70 ½ or older at the time a gift is made
- Money is transferred directly from your IRA to Kulshan Community Land Trust
- Each gift is outright with nothing provided in return
- All such IRA gifts total no more than \$100,000 in 2009

Currently this opportunity is set to expire at the end of the year, so you should act soon if you want to take advantage of it. Be sure to consult your own advisors first.

For more information (including sample form letters), you and your advisors are encouraged to contact Jill Clark, KulshanCLT Development Director, at jillclark@KulshanCLT.org or 360-671-5600, ext 5. Additional information and an example follows.

You continue to have a special planning opportunity if you are age 70 ½ or older, own an IRA, and intend to make charitable gifts in 2009. If you meet these requirements, you can make distributions directly from your IRA to one or more charities without the distributions being included in taxable income and subject to withholding.

Without this 'charitable rollover' provision, using IRA funds for a charitable contribution requires withdrawing money from your IRA and then contributing it. The amount withdrawn will be taxable, and the deduction for the contribution may or may not have offset the tax. By contrast, an IRA charitable rollover eliminates the guesswork.

Example: Suppose Jack has \$500,000 in an IRA and **would like to contribute \$25,000 to KulshanCLT this year.** Jack can authorize the custodian of the IRA to transfer \$25,000 directly to KulshanCLT. He will not be subject to tax on the \$25,000 distributed to KulshanCLT. (Jack does not deduct the \$25,000 gift – by not paying tax on otherwise taxable income, he has already received his tax benefit.)

Making charitable contributions from an IRA rather than other assets may be especially appropriate if you:

- **do not itemize deductions,**
- **would not be able to deduct all of your charitable contributions because of deduction limitations, or**
- **may lose some of your itemized deductions because of your income level.**

Certain limitations apply to these non-taxable charitable distributions from an IRA:

- They cannot exceed \$100,000 per person per year
- They must be made to a public charity (not a private foundation)
- The gifts must be outright (for example, they cannot be used to establish a gift annuity or fund a charitable remainder trust)
- No goods or services can be received in exchange for the contribution
- **At this point, these tax-free distributions can be made only in 2009**

It is currently uncertain whether the IRA charitable rollover option will be renewed for 2010. It appears likely, however, that the minimum distribution requirement for persons over age 70 ½ that was suspended for 2009 will return next year. If you would like more information about this and other ways to make a charitable gift from an IRA, please contact Jill Clark, KulshanCLT Development Director at jillclark@KulshanCLT.org or 360-671-5600, ext 5.