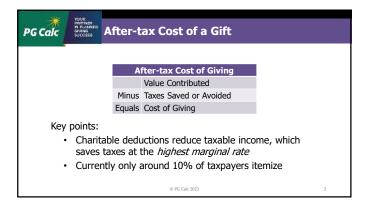


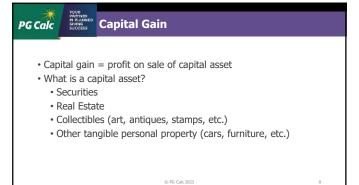
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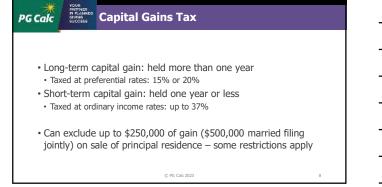
PG Calc	YOUR PARTNER IN PLANNED GIVING	2023	Income Tax Rate	\$
ro cuic	SUCCESS	2023	income rax Race	3
	Rate		Married Filing Jointly	Single
	10%		\$0 - \$22,000	\$0 - \$15,700
	12%		\$22,001 - \$89,450	\$15,701 - \$59,850
	22%		\$89,451 - \$190,750	\$59,851 - \$95,350
	24%		\$190,751 - \$364,200	\$95,351 - \$182,100
	32%		\$364,201 - \$462,500	\$182,101 - \$231,250
	35%		\$462,501 - \$693,750	\$231,251 - \$578,100
	37%		\$693,751 and over	\$578,101 and over
		Brackets	are adjusted annually for	inflation
			· · ·	
				6

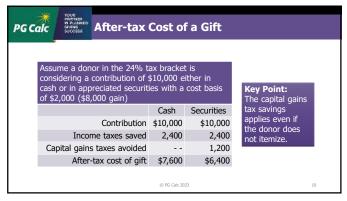
PG Cale	Taxable Income	
	Gross Income	
Minus	Adjustments to Income	Note:
Equals	Adjusted Gross Income (AGI)	Add another \$1,500 for taxpayers over age 65. A
Minus	Certain items – including charitable contributions – may be deducted, but only if total exceeds the "standard deduction" amount (in 2023: \$27,700 married filing jointly, \$13,850 individual)*	taxpayers over age 65. A married couple, both age 65 filing jointly, has a \$30,700 standard deduction.
Equals	Taxable Income	
*Amounts	adjusted for inflation each year	
	© PG Calc 2023	4

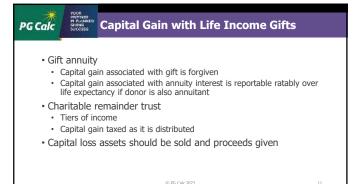
PG Calc	ive Tax Rate vs M	arginal Tax Rate
Taxable incor	me \$250,000, married	filing jointly:
Taxable Income	Tax Rate	Tax Due
the first \$22,000	10%	\$2,200
the next \$67,450	12%	\$8,094
the next \$101,300	22%	\$22,286
the last \$59,250	24%	\$14,220
Total: \$250,000		\$46,800
	arginal Tax Rate = 249 fective Tax Rate = 199 (47k/\$250k)	
	© PG Calc 2023	7

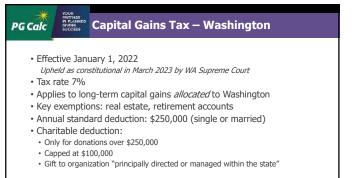












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3.8% Medicare Surtax

- Official name: Net Investment Income Tax (NIIT).
- Surtax is imposed on lesser of:
 - net investment income (capital gains, interest, dividends, royalties, rents, etc.) or
 - amount by which Modified AGI (MAGI) exceeds the applicable threshold (\$200K for Single, \$250K for MFJ)
- Increases marginal rates for income tax and capital gains tax by 3.8%

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13



Charitable Deduction Limitations

- 60% of AGI maximum deduction in any one year for cash contributions
- 30% of AGI maximum deduction for contributions of appreciated property
- 5-year carryover for unused deductions
- \bullet Gifts to private foundations subject to lower limits: 30% cash, 20% appreciated property

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2023

14



Quid Pro Quo Reductions

- Amount of deduction is reduced by value of goods or services made available as a result of contribution
- Applies to all premiums offered as a result of contribution as well as "benefit" events
- Must be disclosed in solicitation
- Applies if goods or services are offered whether or not they are accepted

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Substantiation Requirements

- Donors must have written acknowledgement to substantiate income tax charitable deductions
- Non-cash gifts
- \$500 or less estimate value on Schedule A
- \$501 through \$5,000 estimate value, complete Form 8283 explaining valuation methodology*
- Over \$5,000 qualified appraisal, complete Form 8283 with charity acknowledgement
- * Deductions over \$500 for contributions of clothing require appraisal

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14

16



Split Interest Deductions

- Donor makes irrevocable contribution but retains right to receive income (CGA, CRT)
- Deduction is for amount contributed minus the estimated value of the right to receive income
- Larger deductions: older and fewer beneficiaries, smaller payouts
- Smaller deductions: younger and more beneficiaries, higher payouts
- Charitable gift annuity: deduction and tax-free portion of payments are inversely related

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17





Qualified Charitable Distributions

- Must be from an IRA
- Donor must be at least 70 1/2
- Distribution direct to charity (Check-writing privileges)
- No deduction, but not taxable (Great for non-itemizers)
- Can be applied to required minimum distribution
- No quid pro quo
- Annual limit \$100,000

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23

19



Qualified Charitable Distributions

- Funding a gift annuity or charitable remainder trust:
- Same general requirements as for outright QCD (prior slide)
- Only in one tax year, up to \$50,000 (counts as part of \$100k annual QCD limit)
- Beneficiaries limited to IRA owner and/or owner's spouse
- \bullet Payout rate must be at least 5%
- \bullet QCD must be only funding asset
- \bullet Income interest must be non-assignable
- Gift annuity payments must start within 1 year (no deferred CGAs)
- · Life income payments are ordinary income

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20



Transfer Taxes: Federal Gift Tax

- · Tax paid by the giver
- Annual gift exclusion: \$17,000 per individual
- 18% 40% rates on taxable transfers
- Lifetime exclusion: \$12.92 million tax free (in 2023)
- Cumulative total of lifetime gifts plus gifts at death
- Unlimited exclusion on transfers to spouse
- · Unlimited charitable deduction
- Carryover basis to recipient

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Transfer Taxes: Federal Estate Tax

- Tax paid by the estate
- · Lifetime exclusion (\$12.92M) adjusted annually
- Cumulative total of lifetime gifts plus transfer at death
- · Unlimited exclusion on transfers to spouse
- · Unlimited charitable deduction
- Portability of spouse's unused exemption
- 18% 40% rates on taxable estates (affects less than 0.2%)
- Step-up in cost basis to beneficiaries

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22



Estate Tax - Washington

- Filing threshold and applicable exclusion: \$2,193,000
- Other expenses/deductions in determining taxable estate:
 - Funeral expenses
 - Estate administration costs
 - · Debts of decedent
 - Bequests to spouse
 - Gifts to charity
 - Farm deduction
 - · Qualified family-owned business interests deduction
- Tax rates 10% 20%

4/28/2022

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23



What Happens After 2025?

- Many provisions of the 2017 Tax Cuts and Jobs Act expire at end of 2025. Among the looming changes:
 - Income tax rates revert to 2017 levels (top rate of 39.6%)
 - Standard deduction reduced by about half (2017: \$6,350 single, \$12,700 MFJ)
 - Personal exemption returns
 - Estate tax exemption cut in half (est. at \$6.2M for 2026)
 - Cap on state and local income tax deduction eliminated

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24

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