

## What Can a Real Estate Tax Deduction Do For You?

### **Individual donors:**

These rules may apply if the donated real property is owned in your own name, with your spouse or other persons.

- If you have held the property for more than one year, it is classified as long-term capital gain property.
- You can deduct the full fair market value of the donated property. Your charitable contribution deduction is limited to various percentages of your adjusted gross income (on average 30%). Excess contribution value may be carried forward for up to five years. If the property has been depreciated, the fair market value must be reduced by its accumulated depreciation through the date of contribution.
- Fair Market Value is most commonly determined by an independent appraisal.
- If you choose to deduct your cost basis of the donated property you are allowed a deduction of fifty percent (50.00%) of your adjusted gross

### **Income (check with your tax professional):**

- Excesses can be carried forward up to five years. Which method you choose to follow is dependent on the cost basis in the property donated, your tax bracket, the age and health of the donor and whether you plan to make future contributions (Please check with your tax professional).