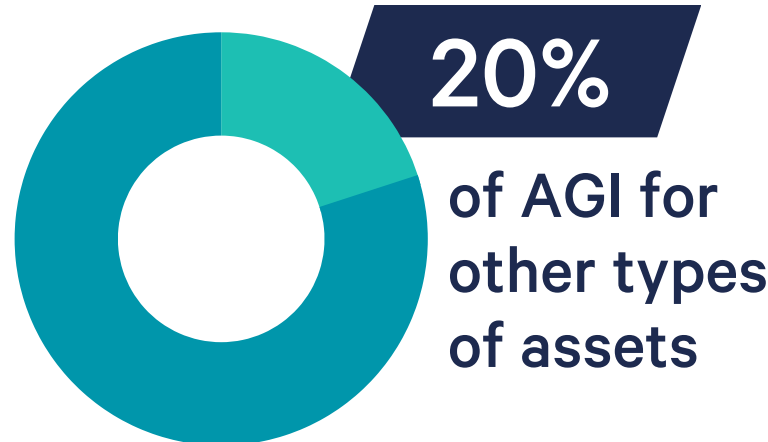
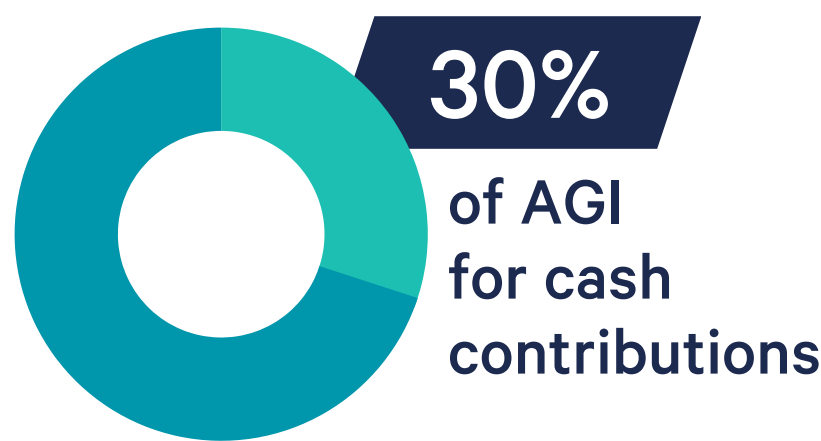


4 TAX BENEFITS of a Private Foundation

#1: Income Tax Savings

- Contributions to a private foundation reduce current year **taxable income**.
- One of the more **immediate** tax benefits.
- Beneficial for **high-earners**, those who live in **high-tax** states and those who've had **liquidity events**.



#2: Income-Tax-Free Growth of Assets

- Assets contributed to a foundation can grow in a **tax-advantaged** environment.
- This allows the foundation to retain more for **charitable use**.
- Beneficial for people who want to create a **lasting charitable legacy** that can be passed down.



#3: Capital Gains Tax Savings

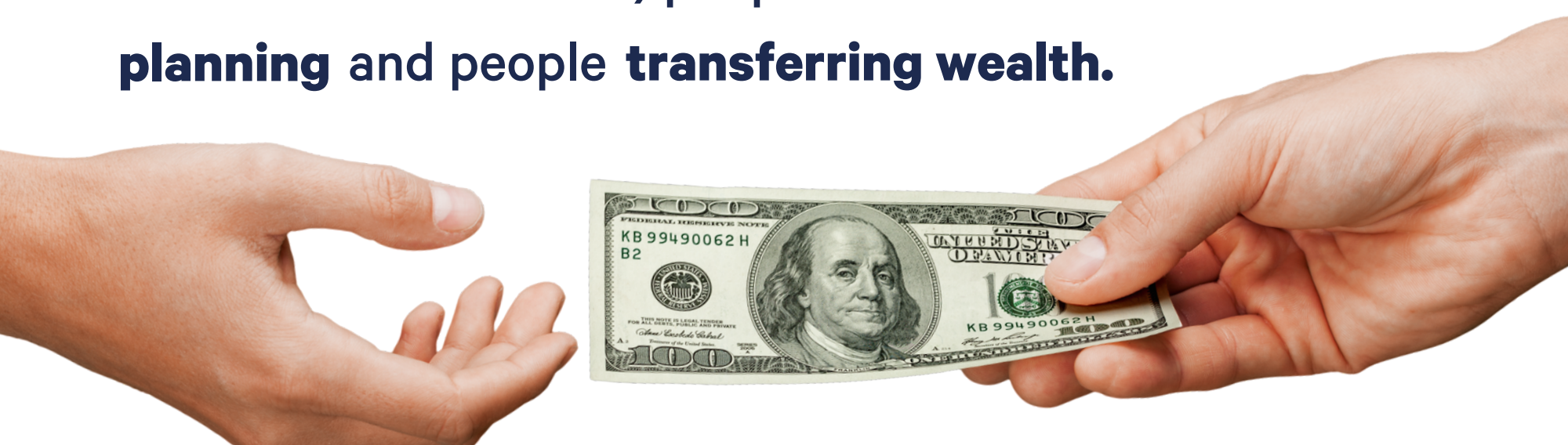
- Donors can avoid paying capital gains taxes by donating **highly-appreciated assets** to a private foundation.
- Instead of capital gains taxes, foundations pay a **nominal excise tax**.
- Beneficial for people with **concentrated stock positions** held for more than one year and other **highly-appreciated assets**.

1.39%

NOMINAL EXCISE TAX

#4: Estate Tax Savings

- Assets contributed to a foundation are excluded from the donor's estate and **are not subject to federal or state estate taxes**.
- Beneficial for **retirees**, people focused on **estate planning** and people **transferring wealth**.



Key Takeaway:

For HNW individuals who have a strong charitable interest, private foundations offer an opportunity to save in taxes while creating a lasting philanthropic legacy.



Want to learn more?

Check out the full whitepaper [here](#).

Ready to talk to a philanthropic specialist?

Schedule a call with us [here](#) or reach us at 800-839-0054.

Foundation Source does not provide income tax advice. Please consult your tax advisor to discuss the specifics of your personal income tax situation.

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