

Gift of Real Estate

...put your real estate to work for WSU.

Gift Planning
at Washington State University

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foundation.wsu.edu/giftplanning

WHY GIVE REAL ESTATE TO SUPPORT WASHINGTON STATE UNIVERSITY?

Your real estate holdings open the door to unique giving opportunities. Many types of real estate holdings can be donated to Washington State University, which may include your commercial real estate, personal residence, recreational property, rental properties or farm and ranch land. You can make a significant gift to benefit WSU while receiving income and estate tax benefits, and, in some cases, a lifetime income interest or a life estate to continue your occupancy of the real estate.

Is Giving Real Estate Right for You?

- Do you own appreciated real estate you are looking to sell or no longer want to manage or maintain?
- Do you want to reduce your investment in real estate by having the property sold by a tax-exempt organization or a tax-free trust, while maintaining an income stream for your lifetime based on the fair market value of the property?
- Do you want to transfer to WSU responsibility for dealing with your real estate at the end of your life, while maintaining rights of ownership in the property for your lifetime?
- Do you own mortgaged real estate that you would like to transfer to WSU in a part sale/part gift transaction?

WAYS TO GIVE REAL ESTATE

Make a Gift Today (Outright Gift)

When you give real property you have owned longer than one year to WSU, you obtain a charitable income tax deduction equal to the property's full fair market value. Provided the deduction can be fully utilized based on your tax profile, your marginal income tax rate multiplied by the deduction equals your tax savings, which in essence directly reduces the cost of making the gift and frees cash that otherwise would have been used to pay taxes. By donating the property to WSU, you also avoid capital gains tax on its appreciation. Furthermore, the transfer is not subject to the gift tax, and the gift reduces your future taxable estate.

Include Us in Your Estate Plan

You can make a gift of real estate in your Will or Revocable Living Trust. Because you can change your bequest during your lifetime, you will not be able to take an immediate income tax deduction – but the gift will be eligible for a charitable estate tax deduction at your death. Through your Will or Living Trust, you may also give another person lifetime use before ownership passes to WSU. Or you can bequeath full title to an individual, if that person survives you, with WSU as the recipient only if that person doesn't survive you. Another way to leave real estate is by T.O.D., a recorded deed transferring the property on your death. This deed is revocable during your lifetime.

Receive Income for the Rest of Your Life (Charitable Remainder Trust)

You can obtain an income stream for your lifetime by using real property to fund a Charitable Remainder Trust. Once the property, all or undivided partial interest, has been transferred to the trust, the trustee can sell the property within the trust without incurring capital gains tax, and invest the proceeds in a diversified portfolio, which becomes the source for income payments to you and/or any other recipient(s) you name for your lifetime(s) or a period of years. When the trust terminates, WSU, and possibly other charities of your choice, receive the remainder. You benefit from a charitable income tax deduction in the year you initially fund the trust, and the property is excluded from your taxable estate.

Give Your Home but Live There for Life (Retained Life Estate)

You can realize the advantages of making a current charitable gift (e.g., income tax deduction, gift credit, donor recognition, etc.) while retaining the right to live in your personal residence, recreational property, or farm. If you desire for WSU to receive the property at your death or after a term of years, you can deed your property to WSU now, subject to a life estate that allows you to live there for the balance of your life or term of years, and receive current tax benefits. Even though WSU would not actually take possession of the property until after your lifetime or the term ends, you receive an immediate charitable income tax deduction for a portion of your property's value.

Donating our commercial real estate via a Charitable Remainder Trust allowed us to make a bigger contribution to the Elson S. Floyd College of Medicine than we could with cash. We received an immediate tax deduction and an income stream during retirement. The College will receive the remainder of the value at the end of the trust. This was a win-win solution for us and for WSU.

–Tom and Barbara Wilson,
Legacy Associates



WASHINGTON STATE
UNIVERSITY
FOUNDATION

Make us a Deal (Bargain Sale)

In limited circumstances, WSU will purchase property from you for less than its fair market value. The difference between the appraised value and the discounted sale price is considered a charitable gift. You will benefit from an income tax deduction as well as capital gains savings. This approach might be an option for you if you want to make a gift to support WSU, but also need to receive cash for other purposes.

WSU Land Legacy Program

The WSU Land Legacy Program exists for donors who have requested WSU consider their property for long-term management, and in which anticipated production of crops, timber, grazing, etc., will produce a revenue stream that will adequately support a programmatic area at WSU to justify the management expense of the property. Additional information is available upon request outlining how the gift and property management process works with Land Legacy donations. Often these are given as outright gifts (during life or via an estate) or as retained life estates.

FIND OUT MORE

You may have questions about appraisals, tax benefits, and other details. You will also want to discuss which gift arrangement is best for you. The WSU Foundation Gift Planning Team is happy to assist you and your attorney and other advisors in designing the most suitable plan for you. Contact us at 800-448-2978.

This information is not intended to be interpreted or relied upon as legal, tax, or financial advice. The WSU Foundation does not engage in the marketing of services pertaining to individualized advice about estate distribution documents. Before entering into a planned gift with any charity, the donor should seek professional legal, tax, and financial advice. This information cannot be relied upon as professional advice adequate in scope and content to avoid the imposition of penalties under the Internal Revenue Code. Overall information about the WSU Foundation and its management policies for all types of gifts can be found at foundation.wsu.edu/about.

