

RESIDENTIAL REAL ESTATE



FIDELITY Charitable™
Make more of a difference

THE SITUATION

- Individual has appreciated, debt-free residential real estate, such as a vacation property.
- Individual is philanthropically inclined, but does not have a long-term charitable plan.
- Individual wants to eliminate capital gains tax liability if he or she sells the property.
- Individual could benefit from a charitable tax deduction.

THE CONSIDERATIONS

- Property must be “highly marketable” and ideally will be highly appreciated.
- While the charity will consider investment property with an income stream, the charity’s due diligence process for investment property is considerably more involved.
- Property generally must be debt free.
- Individual must be willing to irrevocably transfer the property to the charity, which will exclusively control the sale, including negotiating the sale price.

THE SOLUTION

- Individual chooses to establish a Giving Account® at Fidelity CharitableSM.
- Individual irrevocably contributes and transfers title of the debt-free residential property to Fidelity CharitableSM.
- Individual is eligible to take a tax deduction equal to the fair market value (“FMV”), based on a qualified appraisal,* of the property on the date of the contribution.
- Fidelity Charitable sells the property, typically by engaging a local real estate broker.
- The Giving Account® is funded with the net proceeds of the sale, less all costs incurred by Fidelity Charitable in accepting, carrying, and disposing of the property. The proceeds received by Fidelity Charitable as a result of the sale may be higher or lower than the appraised value of the property.

THE BENEFITS

- Individual funds a Giving Account from which to support IRS-qualified public charities during lifetime and beyond.
- Individual eliminates capital gains tax on appreciation.
- Individual may be eligible for a tax deduction of the FMV of the property up to 30% of his or her adjusted gross income (“AGI”). If the FMV of the contribution is greater than 30% of AGI, Individual may be able to carry the deduction forward for five years.
- Charitable Planning Specialist or Advisor provides an innovative way for Individual to meet his or her philanthropic goals and minimize his or her tax burden.
- Charities supported by Individual potentially receive larger grants since Individual saves on taxes, and the proceeds have the potential to grow over time in Fidelity Charitable investment programs.

*Fair market value of the property, as assigned by an independent qualified appraiser, must be reported to the IRS by the donor on IRS Form 8283.

**For more information, please call a Charitable Planning Specialist at 800.682.4438
or visit FidelityCharitable.org.**

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