



faith . discipline . patience

Tis the season for giving and if you are planning to give before year-end keep these rules in mind.

You can gift up to \$15,000 per year to each recipient without reporting to the IRS. If you are married you and your spouse can give \$30,000 to each recipient. You can e.g. write one check for \$30,000 to a child, no need to write two checks.

If you are giving your child a check make sure they cash it in this year. The gift is not complete until the child has cashed in the check so if your son waits until after New Year's this becomes a gift in 2020.

Similar rules apply to the gifting of securities like stocks or bonds. The value of the security must be reported if it exceeds \$15,000, and the gift is only considered made when the security has been deposited into the recipient's account.

If you gift more than \$15,000 to a person you will not necessarily owe any taxes but you'll need to file Form 709 with your tax filing. This report basically is a way to track all your gifts to non-charities in excess of the amount excluded from reporting (currently \$15,000 per year).

On your death, these excess gifted amounts will count against your estate tax exclusion. So, if you gift \$1 million to your child you'd file \$985,000 on Form 709 but not owe any taxes. Instead, your estate exclusion would be reduced by the same amount when your estate is settled.

For gifts to qualified charities there is no \$15,000 limit to worry about. You can gift as much as you want without filing a gift form. Keep in mind, you can only deduct for cash gifts an amount up to 60% of your adjusted gross income. Amounts in excess of this 60% can be carried forward for deductions for five years.

Timing rules are also less restrictive for charitable giving. Checks need only be mailed before year-end to count as a 2019 gift. It doesn't matter that the charity won't cash the check until next year. Similarly, 2019 charitable gifts by credit cards need only be made this year even if the credit card bill is paid next year.

Still, with only nine days left of the year there's no time to waste. Take care of your 2019 gifting sooner rather than later.

Good luck.

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