

Basics of Planned Giving

for Generalists – Oct 10, 2024

Session 1 – Taxes

Do they motivate giving?

Rick Oldenburg CAP®

Jeanne Sacks CPA CGMA CAP®



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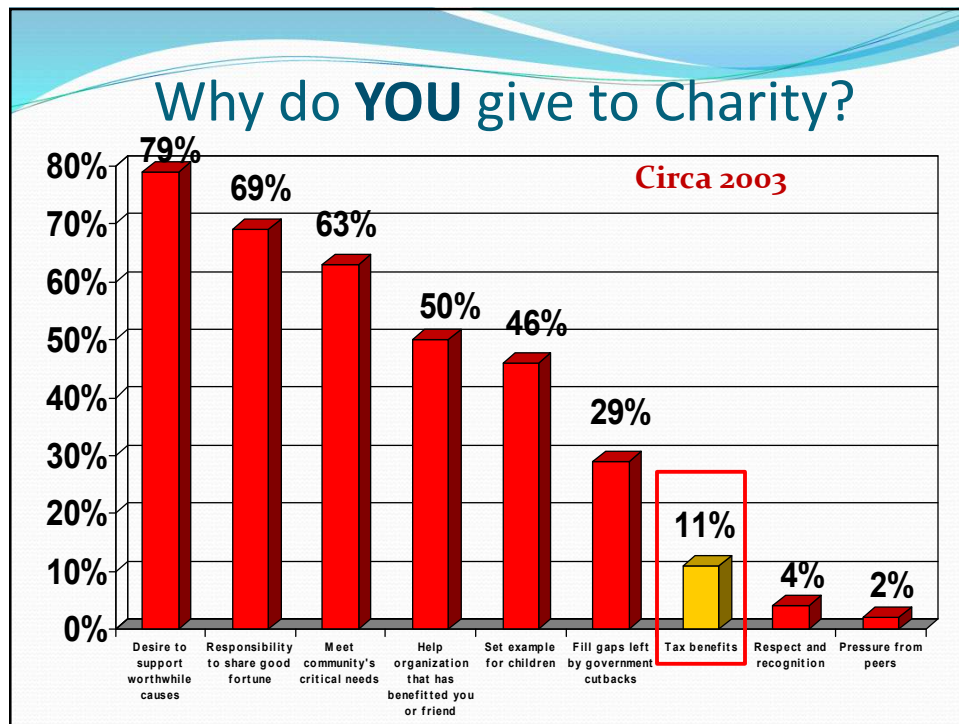
CHARITABLE INTENT

Two decades ago, the philanthropic world asked two questions:

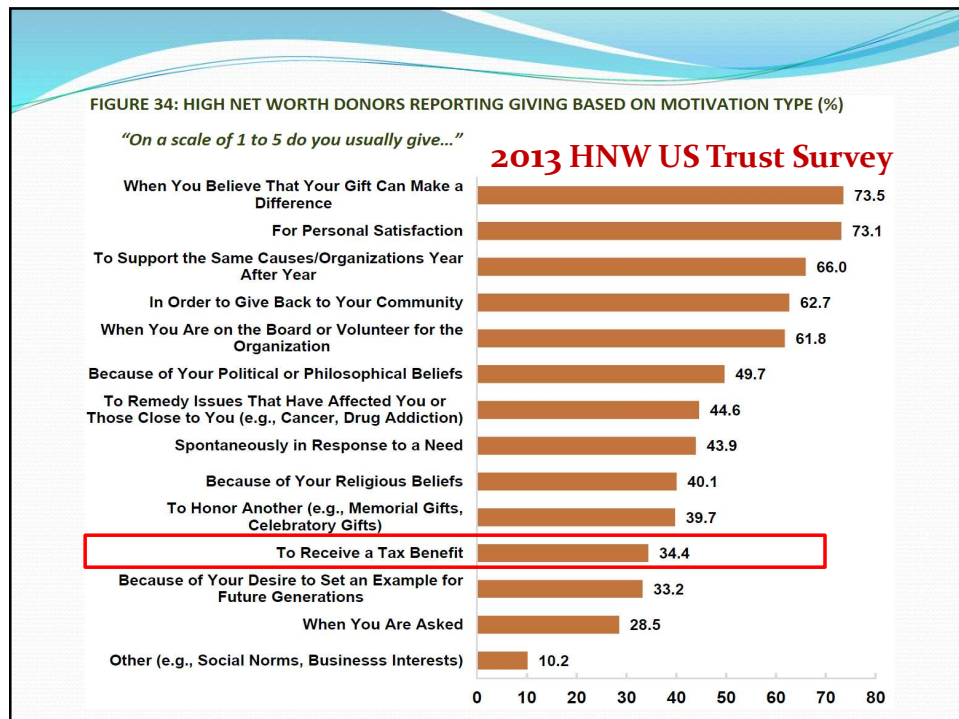
1. Why did you give to the Charities that you gave to?
2. Why didn't you give more to those charities?

NO ONE ASKED ME TO GIVE MORE!

2



3



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Why Give at ALL?

- *“I have found that among its other benefits, giving liberates the soul of the giver.”*
- *~ Maya Angelou*
- “The true meaning of life is to plant trees, under whose shade you do not expect to sit.”*
- ~ Nelson Henderson*
- “It is every man’s obligation to put back into the world at least the equivalent of what he takes out of it.”*
- ~ Albert Einstein*

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Consider this . . .

- Individuals donate at least 75% of the Billions given to charity every year (stats of past 15 yrs!)
[75% of \$592 Billion in 2024 Gifts = \$438.5 Billion by Individuals!]
- The over 65's are the fastest growing segment of the U.S. population AND they account for the bulk of planned gifts.
- Planned gifts are averaging around **\$80,000**

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Cite – Giving USA 2025 Report

2024 Charitable Giving by Source

Source	Up/down	Amount	Inflation Adjusted
Total	↑ 6.3%	\$592.50 billion	↑ 3.3%
Individuals #	↑ 8.2%	\$392.45 billion	↑ 5.1%
Foundations	↑ 2.4%	\$109.81 billion	= -0.5%*
Bequests #	↓ 1.6%	\$45.84 billion	↓ 4.4%
Corporations	↑ 9.1%	\$44.40 billion	↑ 6.0%

*Change of less than + or – 1% is considered flat

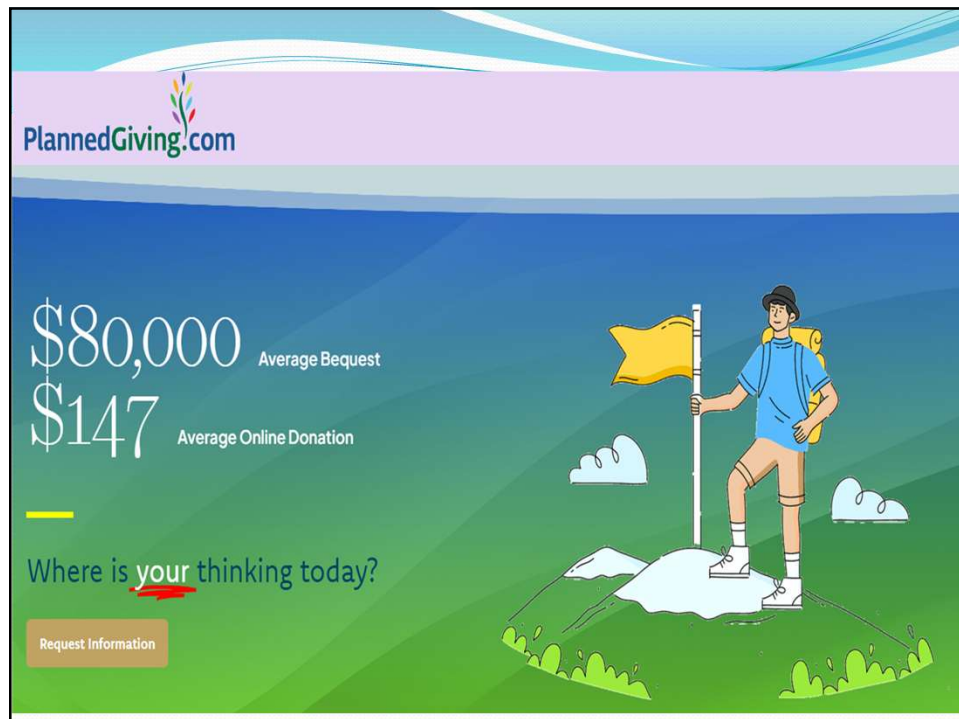
Individuals + Bequests = \$438.26 Billion 75%
 Foundations + Corporations = \$154.21 Billion 25%

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Demographic Shifts

- **Age 65+** from 58 million (2022) to 82 million (2050)
 - a. US population is older today than it has ever been
 - b. Older pop. becoming more ethnically diverse, but can't match the changing racial/ethnic composition of those under age 18, creating a diversity gap.
- **Positive Developments**
 - a. education levels of those 65+ - In 1965 only 5% had completed 4 yrs college - in 2023 it was 33%
 - b. Adults are working past age 65 and the poverty rate of 65+ dropped from 30% (1966) to just 10% (2023)
- **Negative:** Obesity has doubled from 22% (1994) to 40%!

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PlannedGiving.com

\$80,000 Average Bequest

\$147 Average Online Donation

Where is your thinking today?

[Request Information](#)

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Russell James, JD, PhD, CFP

Tenured Professor-Texas Tech University

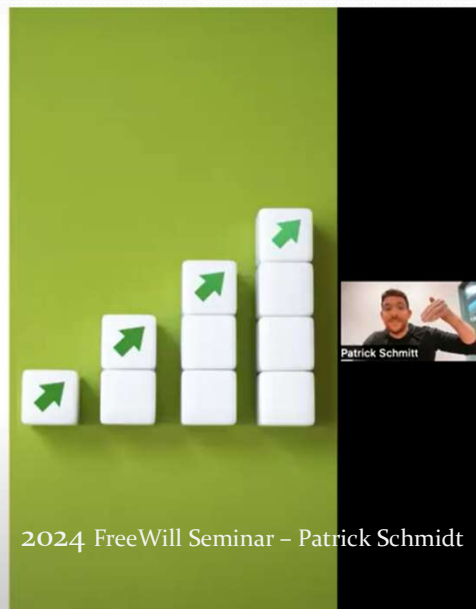
- In the United States, a whopping **98%** of wealth is held in non-cash assets.
- This reality presents a serious challenge for nonprofits primarily seeking cash donations: competing for only 2% of overall wealth.
- Nonprofit organizations that accept non-cash assets raise larger gifts and grow six times faster than organizations that only accept cash.

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Non-cash fundraising means overall growth

- A 2018 analysis of over one million nonprofit tax returns by Dr. Russell James showed that organizations who strictly sought cash donations grew by just **11%** over a five-year period
- Organizations taking any non-cash assets **grew by 50%**
- Organizations taking appreciated securities **grew by 66%**

Source: "Cash is Not King in Fundraising"



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GS 839 Session 7

839-7 (38:30 / 1:20:06)

Resources

65+ ARE IDEAL FOR GIVING

- Has highest net worth
- Is fastest growing segment
- Most generous per person (in both gifts and volunteering)
- An \$8 trillion opportunity(2016-2035)
 - \$1.4 trillion in value of volunteer time
 - \$6.6 trillion in charitable contributions

Merrill Lynch Giving in Retirement: America's Longevity Bonus, 2015

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Consider this . . .

1. *People spend 95,000 hours (45 yrs) building wealth. . .*
2. *They spend less than 4 hours deciding where they are going to leave their money.*
3. *Our Goal, as Gift Planners, is to increase the number of hours spent considering their options
AND to help people realize their true level of generosity toward any non-profit in our City, State, or Country.*

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What is a Planned Gift?

- ANY Gift that is Planned (not impulse)
- That takes special thought and preparation
- Can be far in the future or next month
- Not necessarily the most complicated . . .
as simple as a bequest or gift of stock OR
as complicated as a Charitable Flip Trust.

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THE TRUST EQUATIONTM

- T = Trustworthiness
- C = Credibility
- R = Reliability
- I = Intimacy
- SO = Self-orientation

$$T = \frac{C + R + I}{SO}$$

From Maister, Green, and Galford, *The Trusted Advisor*

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TAXES

Your Favorite 5-Letter Word?

- Taxes frighten some people (IRS)
- They believe it is too complicated
- Stories abound about great losses & penalties
- Remember – people give 1st because they WANT to, not for tax deductions!
- In fact – taxes add the icing on the cake
- Taxes help donors decide WHEN and WHAT Not IF they will donate!
- The WORDS you use Matter when talking about Taxes

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GS 839 Session 7

839-7 (1:11:04 / 1:20:06)

Resources

EXPERIMENT

Co-operative Legal
Services does wills
over the phone

Base Line:

No question asked about giving

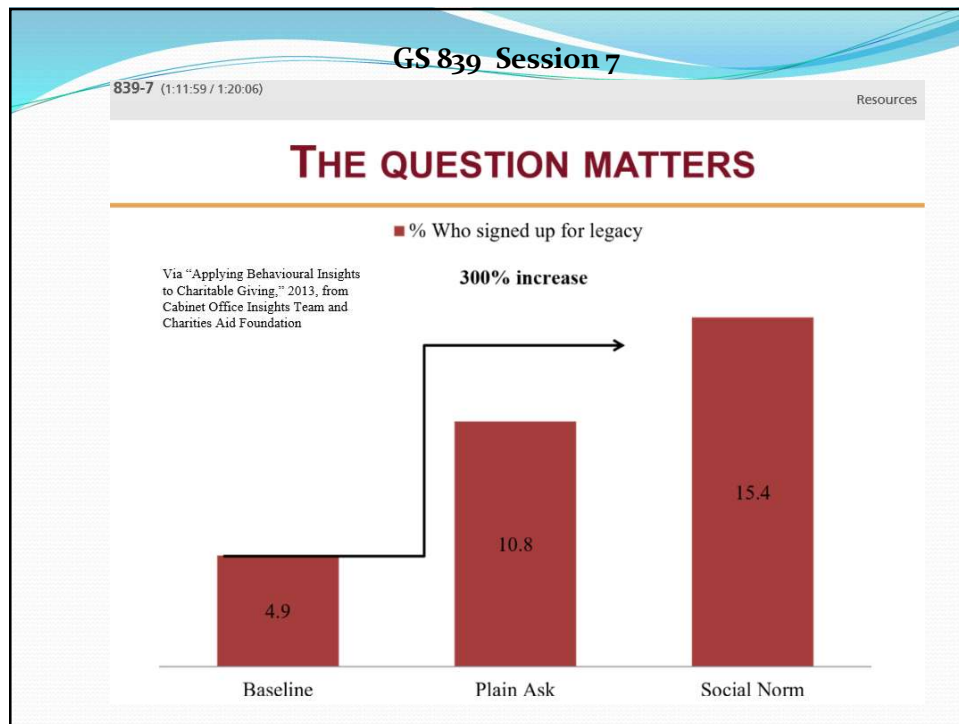
Plain Ask:

“Would you like to leave any money to charity in your will?”

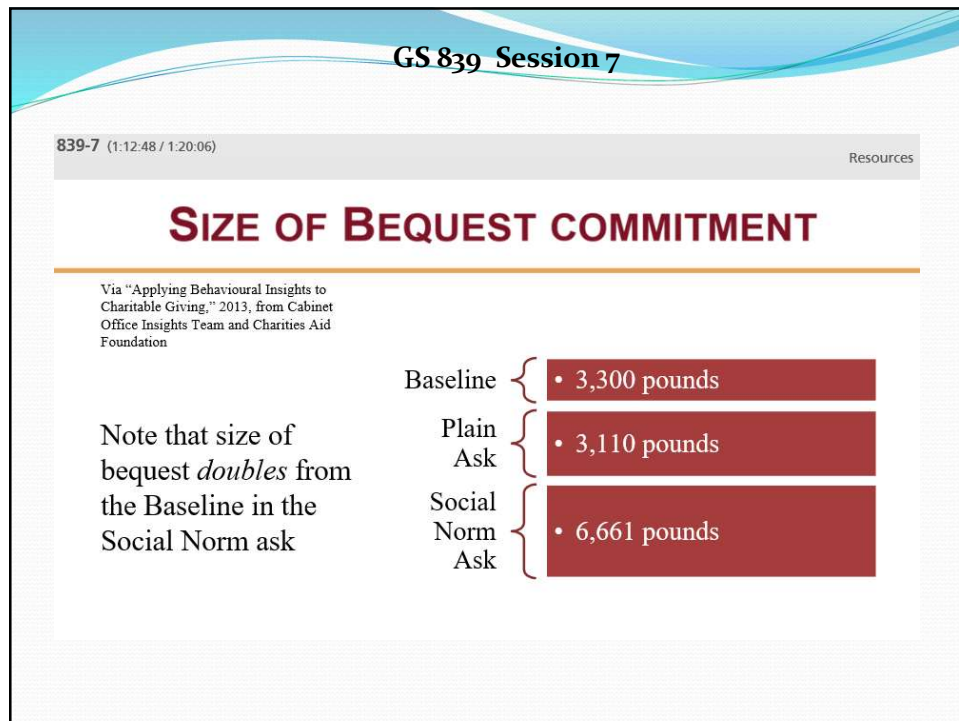
Social Norm Ask:

“Many of our customers like to leave money to charity in their will. Are there any causes you are passionate about?”

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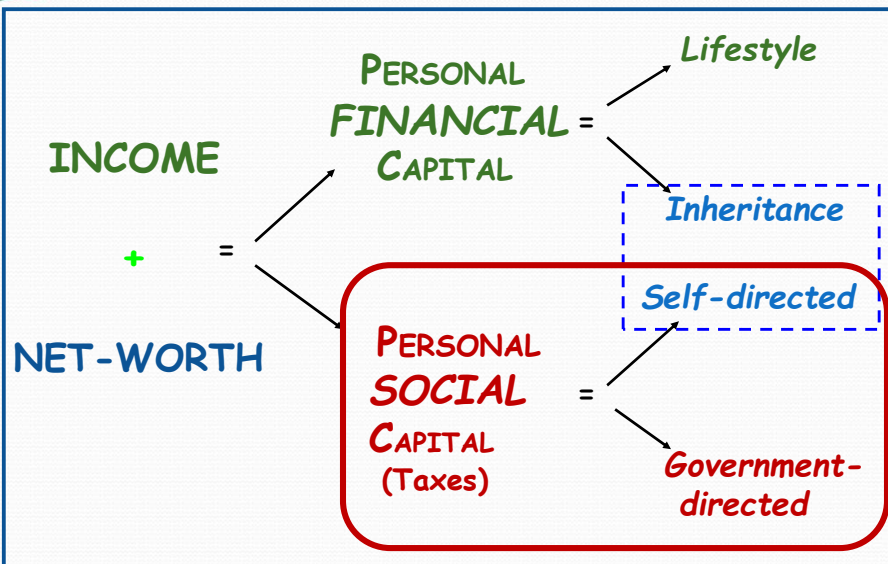
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TIMING

- Give now? (During Lifetime)
- Give when I (we) no longer need my (our) assets and before they pass to heirs

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Who Controls The CAPITAL?



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Where is the Wealth?

Did you know?



Less than 10%

of this nation's wealth is in the cash and over 90% is in assets?

Yet...



Over 90%

of fundraisers time is spent on pursuing cash instead of assets?

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Where is the Wealth?

SO – that is what we will try our best to show you over the next 7 weeks how you can:

- a. Harness the influence of Taxes on gifts
- b. Use your knowledge of current interest gifts to help client/donors get more out of donations they are making
- c. Expand your knowledge of gifts that pay the donor income now and nonprofits later
- d. Understand that donors can set assets aside that can pay \$\$ to nonprofits now, then receive the asset back or move it in a tax-wise way to heirs.

All 4 methods above create Donor Tax-Deductions!

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Taxes That Affect Individuals

Jeanne Sacks, CPA CGMA CAP®
Shareholder / Tax Manager
Johnson Stone Pagano P.S.

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Taxes That Affect Individuals

- Income Tax (Federal and State)
- Capital Gains Tax
- The *Unified Gift & Estate Tax* came from:
 - a. Transfer Tax (Estate Tax, Death Tax)
 - b. Gift Tax (and Annual Gift Exclusion)
- Generation Skipping Tax

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INCOME TAX

Federal and State
(WA has no Income Tax)

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1913 Income Tax Return

INCOME TAX INTERNAL REVENUE DEPARTMENT
 Line No. _____ THE PENALTY FOR FAILURE TO MAKE THIS RETURN IN THE HANDS OF THE COLLECTOR OF INTERNAL REVENUE IS AS FOLLOWS: FOR EACH MONTH OR PART OF A MONTH WHICH THE RETURN IS NOT MADE, \$10.00. FOR EACH MONTH OR PART OF A MONTH WHICH THE RETURN IS NOT MADE, \$10.00. FOR EACH MONTH OR PART OF A MONTH WHICH THE RETURN IS NOT MADE, \$10.00.
 Date received _____ Assessment Paid _____ Page _____ Line _____
 UNITED STATES INTERNAL REVENUE
 RETURN OF ANNUAL NET INCOME OF INDIVIDUALS
 (As provided by Act of Congress, approved October 3, 1913.)

1% on amount over \$20,000 and not exceeding \$50,000
 2% on amount over \$50,000 and not exceeding \$75,000
 3% on amount over \$75,000 and not exceeding \$100,000
 4% on amount over \$100,000 and not exceeding \$250,000
 5% on amount over \$250,000 and not exceeding \$500,000
 6% on amount over \$500,000

8. When the net income shown above on line 7 exceeds \$20,000, the additional tax thereon must be calculated as per schedule shown.

INCOME	TAX
1% on amount over \$20,000 and not exceeding \$50,000	\$
2% on amount over \$50,000 and not exceeding \$75,000	\$
3% on amount over \$75,000 and not exceeding \$100,000	\$
4% on amount over \$100,000 and not exceeding \$250,000	\$
5% on amount over \$250,000 and not exceeding \$500,000	\$
6% on amount over \$500,000	\$
Total additional or super tax	\$
Total normal tax (1% of amount entered on line 7)	\$
Total tax liability	\$

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Federal Income Tax Brackets						
TAXABLE INCOME						
SINGLE		Marginal Tax Bracket	MARRIED FILING JOINTLY		Double	
At least	But less than		At least	But less than		
\$0	\$11,925	10%	\$0	\$23,850	\$23,850	
\$11,925	\$48,475	12%	\$23,850	\$96,950	\$96,950	
\$48,475	\$103,350	22%	\$96,950	\$206,700	\$206,700	
\$103,350	\$197,300	24%	\$206,700	\$394,600	\$394,600	
\$197,300	\$250,525	32%	\$394,600	\$501,050	\$501,050	
\$250,525	\$626,350	35%	\$501,050	\$751,600	\$1,252,700	
\$626,350	and over	37%	\$751,600	and over		

These rates are for 2025 Tax Year.

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2025 Standard Deduction Tables			
Standard Deduction Chart for Most People**			
If your filing status is....	Your Standard deduction is:		
	Base Standard Deduction	Age 65+ Additional Deduction	Senior Bonus Deduction*
Single or Married filing separately	\$15,750	\$2,000	Up to \$6,000***
Married filing jointly or Qualifying widow(er) with dependent child	\$31,500	\$1,600/person	Up to \$6,000/person
Head of household	\$23,625	\$2,000	Up to \$6,000

***The OVER 65 Senior Bonus Deduction:**

For tax years 2025-2028. This is a deduction whether you itemize or not.

Single person phaseout is:	MAGI Over:	Phased Out At:
Married couple phaseout (Joint):	\$75,000	\$175,000
Married filing separately ***	\$150,000	\$250,000
Head of household phaseout:	\$75,000	\$175,000

** Don't use this chart if someone else can claim you as a dependent.
 *** You are NOT eligible for the senior bonus deduction if you use Married Filing Separately.

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ITEMIZED DEDUCTIONS

Medical & Dental Expenses

Taxes

Interest


Charity

Casualty & Theft Losses

Other Deductions

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MEDICAL EXPENSES



AGI floor limitation is 7.5%
for 2022 and going forward

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STATE AND LOCAL TAXES

Rules for 2025:

Increased SALT Deduction Limits

The SALT deduction cap rose to \$40,000 and \$20,000 for married filing separately (MFS) in 2025.

Deductible SALT Items

Eligible SALT deductions include state income or sales taxes, real estate taxes, and personal property taxes.

Phaseout Provisions

High-income taxpayers face a phaseout starting at \$500,000 MAGI (\$250,000 MFS), reducing SALT deductions gradually to \$10,000 (\$5,000 MFS).

Future SALT Cap Adjustments

The SALT cap will increase by 1% annually through 2029, reverting to \$10,000 in 2030.

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HOME MORTGAGE INTEREST

Deduction limited to interest on \$750,000 principal on new home acquisition debt incurred after 12/15/17.

Home equity debt interest deduction is permanently not deductible unless it is used for capital improvements to the home.



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CHARITABLE GIFTS

Cash contribution ceiling is 60% of AGI for 2025 and after.

New - 0.5% AGI floor limitation starting in 2026.

Above-the-Line Deduction for Non-Itemizers starting in 2026.

This is for cash donations and is permanent.

Single/MFS/Head of household: Up to \$1,000

Married filing jointly: Up to \$2,000

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CHARITABLE GIFTS

Tax planning ideas:

- "Bunch" charitable contributions for two years into one year to exceed the standard deduction every other year.
- Set up a donor advised fund.

Example – taxpayer gives \$10,000 per year to charity, has \$7,000 in taxes and \$10,000 in mortgage interest. This totals \$27,000. MFJ - \$31,500 standard deduction. If you bunch donations for 3 years, year 1 deduct \$47,000. Year 2 and 3 deduct \$31,500. Total is \$110,000 vs. \$94,500.

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CHARITABLE GIFTS

The increase in the standard deduction will greatly reduce the number of people who itemize their deductions.

Percentage of Itemizing Taxpayers by Income Group

Income Group	Current Law (2019)	Pre-TCJA Law (2019)
0% to 20%	1.2 %	3.7 %
20% to 40%	2.5 %	9.3 %
40% to 60%	5.3 %	21.9 %
60% to 80%	13.8 %	45.3 %
80% to 90%	30.3 %	67.8 %
90% to 95%	50.2 %	82.2 %
95% to 99%	72.8 %	91.5 %
99% to 100%	91.5 %	92.1 %
TOTAL	13.7 %	31.1 %

Source: Tax Foundation General Equilibrium Model, April 2019

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Overall Limitation of Itemized Deductions

After 2025, an individual's itemized deductions are reduced by 2/37 of the lesser of:

1. The taxpayer's itemized deductions, or
2. The taxpayer's taxable income for the tax year (determined without regard to this section and increased by the amount of itemized deductions) that exceeds the dollar amount at which the taxpayer's 37-percent rate bracket begins.

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Taxes as a “Motivator”

- No “Charitable Intent” = No gift!
- With “Charitable Intent” = What KIND of gift.
- Income Tax has a built-in motivation for donors
DECEMBER 31! Use it or lose it.
- LESSON: Use the fear of losing an opportunity
(deadline) to motivate a tax-wise gift NOW
 1. Help favorite charitable cause(s)
 2. Get immediate tax-deduction this year or
carry-forward opportunity for future years

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Capital Gains Tax

Capital Gain is the “profit” from the sale of any capital asset where sales price exceeds the purchase or investment in the asset

Special tax rates apply to different types of assets including the sale of collectibles, depreciable real estate and certain types of small business stock

- Short Term (less than 1 yr) taxed as ordinary income (10% - 37% for 2025)
- Long Term (1 year or longer) tax rate is either 0%, 15%, 20%, 25% or 28% depending on your marginal tax bracket and the kind of asset
[high income earners could pay a 3.8% *Unearned Income Medicare Contribution Surtax*]

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Capital Gains Tax Rates

Type of Asset	Tax on Short-Term Sales	Tax on Long-Term Sales	Unearned Medicare Contribution Surtax
Collectibles	Ordinary Tax Rates	28%	3.80%
Depreciation Recapture	Ordinary Tax Rates	25%	3.80%
Qualified Small Business Stock	Ordinary Tax Rates	28% After Exclusion	3.80%
Other Capital Assets	Ordinary Tax Rates	0%, 15%, or 20%	3.80%

Unearned Medicare Contribution Surtax (Net Investment Income Tax)

Thresholds: Single - \$200,000+ Married Filing Jointly - \$250,000+

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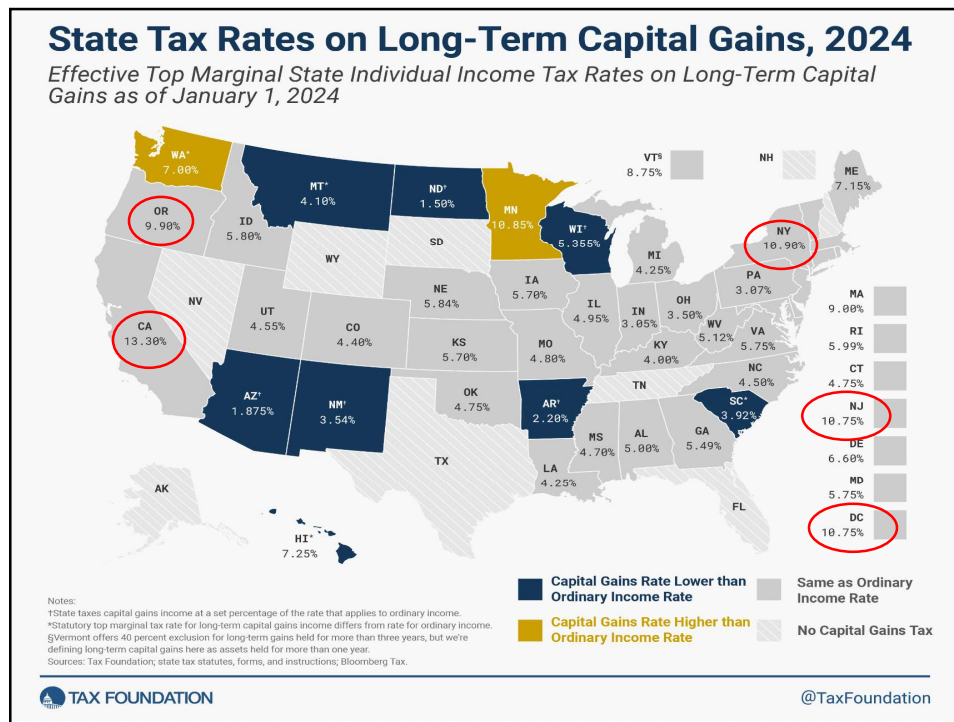
Long-Term Capital Gains Tax Brackets

TAXABLE INCOME

SINGLE		LT Cap. Gains Tax Rate	MARRIED FILING JOINTLY		Double
At least	But less than		At least	But less than	
\$0	\$48,350	0%	\$0	\$96,700	\$96,700
\$48,350	\$533,400	15%	\$96,700	\$600,050	\$1,066,800
\$533,400	and over	20%	\$600,050	and over	

These rates are for 2025 Tax Year.

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Washington Capital Gains Tax

- Effective Jan. 1, 2022
- For 2025 and forward, the rate is 7% on the first \$1 million, 9.9% on amounts above \$1 million.
- Applies when the profits exceed \$270,000 annually (2024 amount, to be adjusted for inflation) and to individuals. Pass-through long-term gains can be taxed.
- Applies to sale or exchange of long-term capital assets (stocks, bonds, business interests, other investments and many tangible assets)
- Exemptions—real estate, certain retirement accounts, assets subject to condemnation or threat of condemnation, certain farming/ranching livestock, certain assets used in a trade or business, timber, commercial fishing privileges, goodwill received from sale of a franchised auto dealership.
- Charitable deductions in excess of \$270,000 (2024) per year per taxpayer up to \$108,000 (2024) per year per taxpayer. This is to charities principally directed or managed within Washington.

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Taxation on Investments

Interest and Dividend Earnings¹

Investment	\$4,000
Annual return	6%
Taxable earnings	\$240
Marginal tax bracket	22%
Current federal income tax owed	\$53

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Taxation on Investments

Interest and Dividend Earnings¹

Investment	\$4,000
Annual return	6%
Taxable earnings	\$240
Marginal tax bracket	22%
Current federal income tax owed	\$53

Capital Gains Earnings¹

Investment	\$4,000
Annual return	6%
Deferred earnings	\$240
Capital gains tax rate ²	15%
Current federal income tax deferred	\$36

¹ The hypothetical investment results are for illustrative purposes only and should not be deemed a representation of past or future investment results. Actual investment results may be more or less than those shown. This does not represent any specific product.

² 10 and 15 percent marginal income tax brackets is 5 percent until December 31, 2007, and then zero until December 31, 2008. Unless Congress acts to extend these provisions, the maximum tax rate on long-term capital gains will be 20 percent beginning in 2009.

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Taxation on Investments

Tax-Deferred Earnings¹

Investment	\$4,000
Annual return	6%
Deferred earnings	\$240
Marginal tax bracket	22%
Current federal income tax deferred	\$53

¹ The hypothetical investment results are for illustrative purposes only and should not be deemed a representation of past or future investment results. Actual investment results may be more or less than those shown. This does not represent any specific product.

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Taxation on Investments

Tax-Deductible Contributions¹

Investment	\$4,000
Tax-deductible contribution	\$4,000
Marginal tax bracket	22%
Current federal income tax reduction	\$880

Tax-Free Income²

Investment	\$4,000
Annual tax-free return	6%
Tax-free income	\$240
Marginal tax bracket	22%
Federal income tax avoided	\$53

¹ The hypothetical investment results are for illustrative purposes only and should not be deemed a representation of past or future investment results. Actual investment results may be more or less than those shown. This does not represent any specific product.

² Investors may be subject to state taxes and federal alternative minimum tax.

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Taxation on Investments

Tax Credits

Investment	\$4,000
Tax credit rate	10%
Amount of credit	\$400
Current federal income taxes saved	\$400

Tax Deduction vs Tax Credit

	Deduction	Credit
Income	\$50,000	\$50,000
Deduction	\$400	\$400
Tax Bracket	22%	22%
Tax Saved	\$88	\$400

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HISTORY OF THE FEDERAL ESTATE TAX

1863 to 1902

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1863 – First Estate Tax

Table 2: Death Tax Receipts, Total Tax Receipts in the United States, for Fiscal Years 1863-1871

Year	Total tax receipts (millions)	Death tax receipts (millions)	Death taxes as a percentage of total taxes
1863	41.0	0.1	0.1%
1864	117.1	0.3	0.3%
1865	211.1	0.5	0.3%
1866	310.9	1.2	0.4%
1867	265.9	1.9	0.7%
1868	191.2	2.8	1.5%
1869	160.0	2.4	1.5%
1870	185.2	3.1	1.7%
1871	144.0	2.5	1.7%
1899	273.5	1.2	0.5%
1900	295.3	2.9	1.0%
1901	306.9	5.2	1.7%
1902	271.9	4.8	1.8%

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Significant Tax Law Changes, 1916 - 1995

- 1916 Estate Tax Enacted
- 1918 Spouse Dower Rights – Insurance over \$40,000 to beneficiaries included Charitable Deduction
- 1924 Gift Tax Enacted – State Death Tax Credit
- 1926 Gift Tax Repealed
- 1932 Gift Tax Reintroduced – Additional Estate Tax
- 1942 Community Property Rules – Powers of Appointment (not limited)
- 1948 Marital Deduction Replaced
- 1951 Powers of Appointment Rules Relaxed

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Significant Tax Law Changes, 1916 - 1995

- 1954 Most Life Insurance, unless decedent never owned, included in estate
- 1976 Unified Estate and Gift Tax
Generation Skipping Transfer Tax (GST)
Carryover Basis Rule
Special Valuation & Payment Rules for
Small Business and Farms
Increased Marital Deduction
- 1980 Carryover Rule Repealed

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Significant Tax Law Changes, 1916 - 1995

- 1981 Unlimited Marital Deduction; Full-value Pension Benefits, but only $\frac{1}{2}$ Joint Property included
- 1986 ESOP Deduction; GST Modified
- 1987 Phase-out graduated rates & Unified credit for estate over \$10 million
- 1988 QTIP allowed for Marital Deduction
Estate Freeze and GST Modification
- 1989 ESOP Deduction Dropped
- 1990 Estate Freeze Rules Replaced

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Historical Estate Tax Exemptions & Rates

Year	Estate Tax Exemption	Top Estate Tax Rate
1997	\$600,000	55%
1998	\$625,000	55%
1999	\$650,000	55%
2000	\$675,000	55%
2001	\$675,000	55%
2002	\$1,000,000	50%
2003	\$1,000,000	49%
2004	\$1,500,000	48%
2005	\$1,500,000	47%
2006	\$2,000,000	46%
2007	\$2,000,000	45%
2008	\$2,000,000	45%
2009	\$3,500,000	45%
*2010	\$5,000,000 or \$0	35% or 0%
2011	\$5,000,000	35%
**2012	\$5,120,000	35%
**2013	\$5,250,000	40%

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For Decedents Dying or Gifts Made During	Top Tax Rate	Applicable Unified Rate	Exemption Equivalent
2012	35%	1,722,800	5,120,000
2013	40%	2,045,800	5,250,000
2014	40%	2,081,800	5,340,000
2017	40%	2,141,800	5,490,000
2018	40%	4,417,800	11,180,000
2019	40%	4,505,800	11,400,000
2020	40%	4,577,800	11,580,000
2021	40%	4,625,800	11,700,000
2022	40%	4,769,800	12,060,000
2023	40%	5,113,800	12,920,000
2024	40%	5,389,800	13,610,000
2025	40%	5,541,800	13,990,000

Note: The Exemption Equivalent for 2026 will be \$15,000,000 and will be adjusted for inflation each year.

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Table A - Unified Rate Schedule

For a taxable Estate or Gift		The Federal	Of the amount
From	To	Tax is	over
\$0	10,000	\$0 + 18%	\$0
10,000	20,000	1,800 + 20%	10,000
20,000	40,000	3,800 + 22%	20,000
40,000	60,000	8,200 + 24%	40,000
60,000	80,000	13,000 + 26%	60,000
80,000	100,000	18,200 + 28%	80,000
100,000	150,000	23,800 + 30%	100,000
150,000	250,000	38,800 + 32%	150,000
250,000	500,000	70,800 + 34%	250,000
500,000	750,000	155,800 + 37%	500,000
750,000	1,000,000	248,300 + 39%	750,000
1,000,000	-----	345,800 + 40%	1,000,000

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Annual Gift Tax Exclusion

The Amount you can give away each year to anyone and not owe gift tax – recipient does not pay income tax!

- 1977 \$ 3,000 or \$ 6,000 joint
- 1987 \$10,000 or \$20,000 joint
- 2002 \$11,000 or \$22,000 joint (*begin adjustments, not yearly*)
- 2006 \$12,000 or \$24,000 joint
- 2013-2017 \$14,000 or \$28,000 joint
- 2018 \$15,000 or \$30,000 joint
- 2019 \$15,000 or \$30,000 joint
- 2020 \$15,000 or \$30,000 joint
- 2021 \$15,000 or \$30,000 joint
- 2022 \$16,000 or \$32,000 joint
- 2023 \$17,000 or \$34,000 joint
- 2024 \$18,000 or \$36,000 joint
- 2025 \$19,000 or \$38,000 joint

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Washington State – Estate Tax

Filing Threshold and Exclusion Amounts

Year	Filing Threshold	Applicable Exclusion Amt
2006-2013	\$ 2,000,000	\$ 2,000,000
2014	\$ 2,000,000	\$ 2,012,000
2015	\$ 2,000,000	\$ 2,054,000
2016	\$ 2,000,000	\$ 2,079,000
2016 (Oct)	\$ 2,079,000	\$ 2,079,000
2017	\$ 2,129,000	\$ 2,129,000
2018	\$ 2,193,000	\$ 2,193,000
7/1/2025	\$ 3,000,000	\$ 3,000,000
2026	set for inflation	set for inflation

Interest Rates

Year	Assessment Rate	Refund Rate
2026	6%	6%
2025	7%	7%
2024	6%	6%
2023	3%	3%
2022	2%	2%
2021	3%	3%
2019-2020	4%	4%
2017-2018	3%	3%

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2025 WA State Estate Tax Rates

Top Tax Bracket increased

For dates of death Jan. 1, 2014 to Jun. 30, 2025, top rate is 20%

For dates of death July 1, 2025 and after, top rate is 35%

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Table W - Computation of Washington Estate TaxFor dates of death Jan. 1, 2014 to Jun. 30, 2025

Washington Taxable Estate		The Amount of Tax Equals	
Is at Least	But Less Than	Initial Tax Amount	Plus
\$ -	\$ 1,000,000	\$ -	10.0% over \$0
\$ 1,000,000	\$ 2,000,000	\$ 100,000	14.0% over \$1,000,000
\$ 2,000,000	\$ 3,000,000	\$ 240,000	15.0% over \$2,000,000
\$ 3,000,000	\$ 4,000,000	\$ 390,000	16.0% over \$3,000,000
\$ 4,000,000	\$ 6,000,000	\$ 550,000	18.0% over \$4,000,000
\$ 6,000,000	\$ 7,000,000	\$ 910,000	19.0% over \$6,000,000
\$ 7,000,000	\$ 9,000,000	\$ 1,100,000	19.5% over \$7,000,000
\$ 9,000,000		\$ 1,490,000	20.0% over \$9,000,000

Note: The Washington taxable estate is the amount after all allowable deductions, including the applicable exclusion amount.

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Table W - Computation of Washington Estate TaxFor dates of death July 1, 2025 and after

Washington Taxable Estate		The Amount of Tax Equals	
Is at Least	But Less Than	Initial Tax Amount	Plus
\$ -	\$ 1,000,000	\$ -	10.0% over \$0
\$ 1,000,000	\$ 2,000,000	\$ 100,000	15.0% over \$1,000,000
\$ 2,000,000	\$ 3,000,000	\$ 250,000	17.0% over \$2,000,000
\$ 3,000,000	\$ 4,000,000	\$ 420,000	19.0% over \$3,000,000
\$ 4,000,000	\$ 6,000,000	\$ 610,000	23.0% over \$4,000,000
\$ 6,000,000	\$ 7,000,000	\$ 1,070,000	26.0% over \$6,000,000
\$ 7,000,000	\$ 9,000,000	\$ 1,330,000	30.0% over \$7,000,000
\$ 9,000,000		\$ 1,930,000	35.0% over \$9,000,000

Note: The Washington taxable estate is the amount after all allowable deductions, including the applicable exclusion amount.

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Charitable Deductions

What kinds of Charitable Deductions do you get either:

- a. For others who donate to your organization
- b. For yourself, based on the giving you do

All Gifts (assets) are NOT created equal!

- Cash
- Securities - Give the stock, bond or mutual fund, not the proceeds- (stock in closely held-companies works but can be difficult to value)
- Collectibles
- Real Estate
- Proceeds from an IRA? HOW (the right way matters)

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Basics of Planned Giving for Generalists

Session 2 – Current Interest Gifts

Friday Oct 17, 2025

Kaarin Praxel Austin, JD
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