



## Tax Bill Helps Charities Through End of 2011

### *Provision Permits Tax-free Charitable Transfers from IRAs*

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For Immediate Release

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An extension of charitable IRA legislation passed in 2010 could provide help for charities through the end of this year. The legislation, first enacted in 2006, allows taxpayers 70 ½ and older to support their charitable interests without penalty by giving retirement savings directly to charity and bypassing federal income tax.

“This is a unique opportunity for seniors to convert taxable income into a charitable gift,” said Sue Conley, executive director of the Community Foundation of Southern Wisconsin.

By going directly to a qualified public charity, the money is not included in the IRA owner’s income and, therefore, is not taxed, preserving the full amount for charitable purposes.

Until the end of 2011, individual holders of traditional IRAs who are at least 70½ years old can make direct charitable transfers up to \$100,000 per year. A married couple can transfer \$200,000 from separate accounts free from federal tax.

The Community Foundation of Southern Wisconsin can help donors execute these transfers and choose from several charitable fund options for their gift. Donor Advised Funds do not qualify for tax-free IRA transfers.

The tax benefit expires December 31, 2011.

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“This really is a limited-time offer: the window is open now, but only until the end of the year,” said Conley. “For anyone interested in establishing a permanent legacy in their community, this is the opportunity of a lifetime to make the gift of a lifetime.”

**Source:**

Investment Company Institute, Federal Reserve Board, National Association of Government Defined Contribution Administrators, American Council of Life Insurers, and Internal Revenue Service Statistics of Income Division, <http://www.ici.org/pdf/fm-v19n3.pdf>