Giving Today to Guarantee Tomorrow: A Lesson in Charitable Giving

A careful review of the various ways to structure charitable gifts can help make your gifts more meaningful, both to you and to the charities you choose to support.

Prepared for:

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Why Consider a Charitable Gift?

People give to charities for a variety of reasons. They give:

1. Because they have compassion for the less fortunate.
1. From a belief that they owe something back to society.
2. To support a favored institution or cause.
3. For the recognition attained by making substantial charitable donations.
4. To benefit from the financial incentives our tax system provides for charitable gifts.

According to the Giving USA Foundation, individual giving accounted for 69% of all contributions to charitable organizations in 2019.

Source: Giving USA Foundation™ - Giving USA 2020

Regardless of your reasons for giving, a careful review of the various ways to structure charitable gifts can help make your gifts more meaningful, both to you and to the charities you choose to support.

What Is a Charitable Gift?

A charitable gift is a donation of cash or other property to, or for the interest of, a charitable organization. The gift is freely given with the primary intention of benefiting the charity.

Whether given during lifetime or after death, charitable gifts are eligible for a tax deduction, **but only if made to a qualified charitable organization**. For example, you may have a relative who has fallen on hard times, someone you choose to help with gifts of cash. While you may be motivated by charitable intentions in making these gifts, you cannot deduct them for either income tax or estate tax purposes.

In general, **qualified charitable organizations** include churches, temples, synagogues, mosques and other religious organizations, colleges and other nonprofit educational organizations, museums, nonprofit hospitals, and public parks and recreation areas. Gifts to these types of organizations qualify for a federal income tax deduction if made during your lifetime or, if made after your death, can be deducted from the value of your estate for federal estate tax purposes.

On the other hand, examples of **noncharitable groups** include labor unions, social clubs, lobbying organizations, chambers of commerce, for-profit groups and individuals. **Gifts to any of these are not eligible for a charitable tax deduction.**

If in doubt about an organization's qualified status, ask the charity for documentation of its tax-exempt status. Alternatively, the IRS provides a complete listing of approved charitable organizations in Publication 78, Cumulative List of Charitable Organizations (http://www.irs.gov).

What Are the Tax Implications of Charitable Gifts?

Income Tax Deductibility (lifetime gifts to qualified charitable organizations)

Type of Property Donated

- Gifts of cash and ordinary income property are generally deductible up to 60% of the donor's adjusted gross income (AGI).
- **Under the CARES Act**, the tax deduction is capped at 100% of AGI **for 2020**, so long as the additional contributions are made directly to a public charity.
- The fair market value of gifts of long-term capital gains property (e.g., real estate, stock) is deductible up to 30% of AGI. There is, however, a special election through which a donor may deduct up to 50% of AGI if the donor values the property at the lesser of fair market value or adjusted cost basis.

Outright Gift or Partial Interest Gift

- The deduction for an outright gift is generally based on the fair market value of the donated asset.
- The deduction for a partial interest gift is based on the actuarial value of the partial interest given to the charity. **Note:** Unless the donor gives away the entire interest within 10 years or by the date of the donor's death, whichever is sooner, or if the donee never takes possession of the donated asset during that period, the donor's tax deduction is recaptured with interest and penalty.

Taxpayer's Adjusted Gross Income

The higher the donor's AGI, the greater his or her potential charitable deduction. For example, if Donor A has an AGI of $500,000 and Donor B has an AGI of $100,000, **in 2020**, Donor A can deduct up to $500,000 of charitable cash gifts, while Donor B is limited to $100,000 of deductible cash gifts.

Charitable contributions in excess of the 100% of AGI percentage limitation in 2020 can be carried over and deducted for up to five succeeding years.

Itemized Deductions

The donor must itemize income tax deductions in order to claim a charitable deduction. There is, however, an **exception**...taxpayers who take the standard deduction **for 2020** can claim a $300 above-the-line deduction for charitable contributions.

Type of Charitable Organization

- Public charities are also known as 60% charities since cash gifts to public charities are deductible up to 100%/60% of AGI, as described above.
- Private charities, most often private family foundations, are also known as 30% charities since the charitable deduction is limited to 30% of AGI for gifts of cash and ordinary income property and to 20% for gifts of long-term capital gains property.

Gift Tax

As a general rule, outright lifetime gifts to qualified charitable organizations qualify for an unlimited gift tax exemption, meaning there is no limit to the amount a donor can give to qualified charities without incurring a gift tax.

Estate Tax

- The value of gifts made during life is removed from the donor's estate at death, meaning that the value is not included in the estate for federal estate tax purposes.
- For gifts made after death (testamentary gifts) to qualified charitable organizations, there is an unlimited estate tax charitable deduction. This means that the entire value of all outright gifts to charity made after a donor's death are subtracted from the donor's estate for federal estate tax purposes.

Substantiating Charitable Contributions for Tax Purposes

Type of Gift	Required Substantiation
Cash Gifts:	
Less than $250	Canceled check, receipt from the charity, or other reliable records.
$250 or more	Acknowledgement from the charity that includes the amount of the cash gift, a statement of whether the charity provided any goods or services in return for the gift and, if so, the value of those goods or services.
Records	Cash contributions of **any amount** are not deductible unless the donor can substantiate the contribution through a bank record, cancelled check or statement from the charity.
Non-Cash Gifts:	
Less than $250	Receipt from the charity showing name of the charity, date and location of the gift and a description of the donated property; donor's tax records must reflect both fair market value and cost basis of the donated property.
$250 but less than $500	Acknowledgement from the charity that includes a description of the donated property, a statement of whether the charity provided any goods or services in return for the gift and, if so, the value of those goods or services; donor's tax records must reflect both fair market value and cost basis of the donated property.
$500 but less than $5,000	In addition to the above acknowledgement from the charity, donor must include IRS Form 8283 (Noncash Charitable Contributions) with his/her income tax return. Donor must also have records indicating how he/she originally acquired the property and the property's cost basis.
$5,000 or more	In addition to an acknowledgement from the charity, filing of IRS form 8283 and written records of how the donated property was acquired and the property's cost basis, a qualified appraisal of the donated property must be attached to the donor's tax return. **NOTE:** An appraisal is not required for gifts of $5,000 or more of publicly-traded securities. For gifts of $5,000 to $10,000 of non-publicly traded securities, only a partially completed appraisal summary form is required.

NOTE: Clothing and household goods given to a charity must be in "good condition" or better for the donor to receive a tax deduction. A limited exception allows a deduction for single items in "less than good" condition if the item is appraised at more than $500.

What Can Be Given to a Charity?

While most anything can be given to charity, these are the more common forms of donated property:

Cash: Cash gifts are the easiest to give to a charity, both in terms of substantiating the deduction and in determining the value of the gift. The full value of a cash gift is deductible, up to the AGI percentage limits discussed previously.

Real Estate: Real estate that is owned outright and which has appreciated in value can be given to a charity. The donor can generally deduct the fair market value of the property (up to the AGI percentage limitation). When a charity sells donated appreciated property, the capital gain then escapes taxation, up to the AGI percentage limits.

Securities: The best securities to donate tend to be those that have increased substantially in value. As with real estate, the donor can generally deduct the fair market value of the security and the capital gain escapes taxation when the security is sold by the charity.

Life Insurance: If a charitable organization is made the owner and beneficiary of an existing life insurance policy, the donor can deduct the value of the policy as of the date of the transfer of ownership. The donor may then deduct all future amounts given to the charity to pay the premiums.

If a charity is named just the beneficiary of an insurance policy on the donor's life, no current income tax deduction is available. At the donor's death, however, the donor's estate receives an estate tax charitable deduction for the full amount of the policy death benefit.

Retirement Plan Assets: A charity can be named as beneficiary of the funds in an IRA or employer-sponsored retirement plan, providing a double tax benefit. At the owner's death, the gift will be eligible for the estate tax charitable deduction and the charity will pay no income tax on the value of the retirement plan assets it receives. In addition, taxpayers who are at least age 70-1/2 can make **tax-free distributions** of up to $100,000 from traditional or Roth IRAs directly to charities (**in 2020, the $100,000 cap does not apply**). The charitable distribution must be made directly by the IRA trustee to a qualified public charity and cannot be made to donor-advised funds or to supporting private foundations.

Tangible Personal Property: Contributions of tangible personal property, such as art, jewelry, stamps, etc., can be donated to charity and deducted at the lower of the item's fair market value or cost basis. If, however, the item is used in the charity's mission (e.g., a donated painting displayed by an art museum), the donor may deduct the full fair market value. Clothing and household goods given to a charity must be in "good condition" or better for the donor to receive a tax deduction. A limited exception allows a deduction for single items in "less than good" condition if the item is appraised at more than $500.

Matching Donor Goals with Charitable Gifts

There are a variety of charitable giving techniques that can be matched with the donor's goals in making the gift. These include:

Charitable Planning Goal	Charitable Giving Technique	The Outcome
A quick and easy gift	An outright gift of cash, securities or personal property	Income tax deduction and possible avoidance of capital gains taxation
A large gift with little cost	Name a charity as owner and beneficiary of a life insurance policy	Current income tax deduction equal to value of policy; possible future deductions for premiums
Avoid capital gains tax on the sale of an appreciated asset	Donate real estate, securities or other appreciated assets	Current income tax deduction and avoidance of capital gains tax
Make a charitable donation after death	Name a charity in your will or establish a revocable living trust	Control of property during lifetime and possible estate tax savings
Donate personal residence, but continue to live there	Donate ownership of the home to a charity, but retain the right to live there during lifetime (retained life estate)	Charitable income tax deduction and lifetime use of home
Avoid the double taxation (income and estate) of retirement plan assets	Name a charity as beneficiary of retirement plan assets remaining at your death	Avoids passing a heavily taxed asset to heirs; removes remaining value from estate
Receive a fixed income from assets	Create a charitable remainder annuity trust that pays a fixed annual income	Immediate income tax deduction and fixed income for life
Receive a potentially increasing income from assets	Create a charitable remainder unitrust that pays a percentage of trust assets, which are valued annually	Immediate income tax deduction and potentially increasing income for life
Reduce gift and estate taxes on assets passing to heirs	Create a charitable lead trust that pays income to a charity for a set term and then passes to heirs	Current income tax deduction and potential gift and/or estate tax savings
Supplement income from assets	Transfer assets to a charity in return for a lifetime income (charitable gift annuity or pooled income fund)	Current income tax deduction and lifetime income
Maintain control over how donated funds are used	Donate assets to a donor advised fund or set up a family foundation	Current income tax deduction and take an active role on how donation is managed and distributed

Charitable Giving Technique: Outright Gifts

What It Is:

An outright gift is a donation of cash or non-cash property to a charity that is available for the immediate use of the charity.

How It Works:

Cash donations can be made through check, cash payment or credit card. Cash gifts are deductible for income tax purposes in the year in which the cash donation is made.

Non-cash donations frequently consist of assets that have appreciated in value and have been owned for more than one year. Examples include real estate and securities. If you were to sell an appreciated asset, the gain would be subject to capital gains tax. By donating the appreciated asset to a charity, however, you can receive an income tax deduction equal to the fair market value of the asset and pay no capital gains tax on the increased value.

For example, Donor A purchased $25,000 of publicly-traded stock several years ago. That stock is now worth $100,000. If she sells the stock, Donor A must pay capital gains tax on the $75,000 gain. Alternatively, Donor A can donate the stock to a qualified charity and, in turn, receive a $100,000 charitable income tax deduction. When the charity then sells the stock, no capital gains tax is due on the appreciation.

NOTE: Clothing and household goods given to a charity must be in "good condition" or better for the donor to receive a tax deduction. A limited exception allows a deduction for single items in "less than good" condition if the item is appraised at more than $500.

Charitable Giving Technique: Life Insurance Gifts

What It Is:

Through a gift of life insurance, you can make a substantial future gift to a charity at an affordable cost.

How It Works:

There are several ways to make a gift of life insurance:

- **If you have a life insurance policy you no longer need,** you can contribute it to a charity by naming the charity as the policy owner and beneficiary. You receive an immediate charitable income tax deduction equal to the cash value of the policy. If you choose to give the charity money to pay future premium payments, those cash donations are also eligible for a charitable income tax deduction. At death, the life insurance proceeds are not included in your estate for federal estate tax purposes.
- Alternatively, **you can purchase a new insurance policy on your life,** name the charity as owner and beneficiary, and arrange to make cash donations to the charity for premium payment purposes. Those cash donations to the charity for premium payments are then deductible on your income tax return. At death, the life insurance proceeds are not included in your estate for federal estate tax purposes.
- Finally, you can simply **name a charity the beneficiary of a life insurance policy** you continue to own. In this instance, there is no charitable income tax deduction available, but the proceeds of the policy at your death will not be included in your estate for federal estate tax purposes.

Charitable Giving Technique: Testamentary Gifts

What It Is:

Testamentary gifts are those given to a charity at a donor's death. This is a popular form of gift giving because donors are able to maintain control over assets during their lifetimes, providing the peace of mind of knowing that the asset is always available if needed. While there is no income tax benefit to a testamentary gift, the value of the gift can be excluded from the donor's estate for federal estate tax purposes through use of the unlimited estate tax charitable deduction.

How It Works:

Here are two ways that a testamentary gift can be made:

- **Bequest:** A gift arising from a donor's last will and testament.
- **Revocable Living Trust:** A revocable living trust is an arrangement created during lifetime to manage your assets for yourself and your family, both before and after your death. A revocable living trust can be structured to make charitable contributions after your death, once the needs of your family are met.

There are a variety of ways in which a testamentary gift can be arranged:

1. **General or pecuniary:** A gift of a stated sum of money to a specified charity to be used at the discretion of the charity.

1. **Percentage:** A gift of a stated percentage of estate assets to a specified charity to be used at the discretion of the charity.

2. **Contingent:** A gift with conditions attached, such as a requirement that donated land be used for a specific purpose. If the condition cannot be met, the bequest is not made.

3. **Specific:** The gift of a specific asset, such as a painting given to an art museum.

4. **Restricted:** A gift that specifies how the funds are to be used, such as to provide scholarships.

5. **Honorary or memorial:** A gift given in honor or in memory of someone.

6. **Endowed:** A gift that restricts use of the principal, requiring that the funds be held permanently and only the investment income they generate be used for charitable purposes.

Charitable Giving Technique: Retained Life Estate

What It Is:

The deed to a personal residence (house, condominium, vacation house, farm) can be given to a charity while retaining your right (and the right of your spouse) to continue living in the home for life. At your death (or your spouse's death if later), the charity receives the property outright.

How It Works:

In order to create a retained life estate, you irrevocably deed your residence to a charity, but retain the right to live in it for the rest of your life, a term of years, or a combination of the two. You may also provide for another individual, such as your spouse, to live there for the rest of his or her life. You continue to be responsible for all routine expenses, such as maintenance, insurance, property taxes, etc., and retain the right to rent your home or make improvements to it. You can take an income tax charitable deduction in the year you create the retained life estate. The charitable deduction is equal to the property's current appraised value reduced by an adjustment for the estimated value of your retained interest.

After your death (or the death of another individual given a life estate in the residence), the charity can sell the property and use the proceeds to further its purposes. The value of the property is removed from your estate for federal estate tax purposes and the charity pays no capital gains tax on the appreciation when your home is sold.

Charitable Giving Technique: Retirement Plan Assets

What It Is:

Qualified retirement plan assets are generally made with before-tax dollars and grow on a tax-deferred basis inside of the retirement plan. When distributions are taken from the plan, however, income tax must be paid on those distributions, either by you during your lifetime or by your heirs after your death. Furthermore, the value of retirement plan assets passing to your heirs is included in your estate for federal estate tax purposes.

In order to avoid this double income/estate taxation, retirement plan assets can be donated to a charity, where 100% of the funds will then be available for support your philanthropic objectives.

How It Works:

The simplest way to leave the balance in a retirement plan to a charity is to name the charity as the beneficiary of your retirement account. This may require that your spouse execute a written waiver to his/her right under the law to receive benefits from your retirement account. Another alternative is to name your spouse as the primary beneficiary and the charity as the secondary beneficiary, to receive any proceeds remaining at your spouse's later death.

Another possibility is to transfer retirement plan assets at your death to a charitable trust, such as a charitable remainder unitrust or a charitable remainder annuity trust. You then designate a trust beneficiary to receive income from the trust for life or for a specific number of years. Thereafter, the remaining trust principal becomes available to the charity to support its work.

NOTE: Prior to 2020, taxpayers who were at least age 70-1/2 could make **tax-free distributions** of up to $100,000 from traditional or Roth IRAs directly to charities. Beginning at age 72, those distributions can be made as **qualified charitable distributions** and satisfy required minimum distribution requirements. The charitable distribution must be made directly by the IRA trustee to a qualified public charity and cannot be made to donor-advised funds or to supporting private foundations. Any amount in excess of $100,000 must be included in income, but can then be taken as an itemized charitable deduction, subject to adjusted gross income caps for charitable contributions.

For 2020, however, the CARES Act allows withdrawals of any amount from an IRA that are used for charitable gifts to be tax deductible so long as they do not exceed 100% of a donor’s AGI. The donor will simply claim the deduction on their income tax return. In addition, donors over age 70-1/2 can make qualified charitable distributions in excess of the $100,000 cap in 2020.

CAUTION: It is important to obtain professional advice in designating a charity as the beneficiary of retirement plan assets in order to avoid disadvantageous or unexpected tax consequences.

Charitable Giving Technique: Split-Interest Charitable Gifts

What It Is:

If you want to make a charitable gift, especially a substantial one, split-interest charitable giving techniques allow you to make the gift today, while retaining an interest in the property and receiving both immediate and longer-term tax benefits.

How It Works:

With a split-interest charitable gift, the asset is split into two parts: a stream of income produced by the asset (**income interest**) and the principal remaining after the income interest is paid (**remainder interest**). Through the use of a charitable trust, the donor transfers the asset to the trust and names a beneficiary for either the income interest or the remainder interest, with the charity receiving the other interest. Assuming the charitable trust is properly designed, a split-interest gift may provide a current federal income tax deduction, avoidance or delay of capital gains taxation and/or a reduction of the federal estate tax bill.

Depending on your personal and charitable giving objectives, there are several different types of charitable trusts from which to select:

- **Charitable Remainder Trusts:** A **beneficiary** named by the donor **receives** the **income interest** for life or for a stated number of years, after which the **charity receives the remainder interest**. The beneficiary can be the donor, spouse or other family member. The donor receives an immediate charitable income tax deduction based on the present value of the charity's remainder interest. A charitable remainder trust is especially advantageous for donors with highly-appreciated assets, such as growth stocks and mutual funds or raw land, that need to be sold and converted to income-producing assets. In a **charitable remainder annuity trust**, the yearly income stream is a fixed amount determined at inception of the trust, while a **charitable remainder unitrust** pays a yearly income stream based on a percentage of the current value of trust assets, which are revalued each year.

- **Charitable Lead Trusts:** The **charity receives the income interest** for a stated period of time, with the **remainder interest then going to a beneficiary named by the donor.** The donor receives a current charitable income tax deduction for the present value of the charity's income interest.

Charitable Giving Technique: Charitable Gift Annuity or Pooled Income Fund

What It Is:

Either a charitable gift annuity or a pooled income fund allow you to convert assets into income by transferring assets to a charity in return for a promise to receive an annual income from those assets.

How It Works:

- **Charitable Gift Annuity:** A charitable gift annuity is a simple, contractual agreement between a donor and a charity, through which assets are transferred to the charity in return for the charity's promise to pay the donor an annual income. There is no trust involved. Instead, through a contractual agreement, in return for the donated property, the charity pays a fixed amount to one or two annuitants (e.g., the donor alone or the donor and spouse) for life. The annuity payments from the charity may begin immediately or be deferred until a future point in time. The amount of the annuity payment is higher for older annuitants and lower for younger annuitants, based on life expectancy. The donor receives an income tax deduction equal to the difference between the fair market value of the donated property and the present value of the income payments. A charitable gift annuity is an attractive way to turn appreciated property into income without the donor being liable for capital gains tax on the appreciation. One potential disadvantage, however, is that unlike a charitable remainder trust, where the property is held in a separate trust, the charity's promise to pay the income from a charitable gift annuity is a general claim against the charity's assets.

- **Pooled Income Fund:** A pooled income fund is a trust maintained by a public charity. Donors contribute assets to this trust managed by the charity and those assets are commingled and managed together with assets donated by other individuals, all of whom have retained an income interest. The non-charitable income beneficiary (e.g., the donor, spouse, other family member) receives a pro rata share of the income earned by the trust for life. When all income beneficiaries are deceased, the remaining property reverts to the charity for its use. The donor receives a current income tax deduction based on the age(s) of the beneficiary(ies) and the fund's rate of return.

Charitable Giving Technique: Donor Advised Funds

What It Is:

Donors who want to be involved in how their charitable donations are used may want to consider donating to a donor advised fund, through which the donor (or someone appointed by the donor) is able to make recommendations of funds to be paid to charitable beneficiaries.

How It Works:

A donor advised fund is established by a public charity, which sets up a sub-account in the donor's name. The donor then transfers assets to the account and recommends that the charity distribute funds to the donor's selected charities. If a highly-appreciated asset is being donated, a donor advised fund enables that single asset to be split among several charities. The donor can also change which charities receive grants from year to year.

The donor receives a charitable income tax deduction and the sponsoring charity usually receives an annual fee for managing the account. The sponsoring charity must approve the distributions, as well as ensure that the donor is not receiving any private benefit as a result of the distributions.

A donor advised fund provides many of the benefits of a family foundation, without the regulatory requirements, expense and lower income tax deduction limits of a family foundation.

Charitable Giving Technique: Family (Private) Foundation

What It Is:

Donors who want to maintain long-term control and flexibility in regard to how a substantial charitable gift will be used may turn to a family foundation…a private charitable organization created, funded and controlled by a donor and/or by members of the donor's family.

How It Works:

A family or private foundation is any charity that is **not** (1) a charity with an inherently public nature (e.g., a hospital, church or college), (2) a charity that receives most of its donations and support from the general public (e.g., a museum), or (3) an organization that is operated, supervised or controlled by or in connection with a public charity (something of a subsidiary of a public charity).

When compared to other charitable giving alternatives, a family foundation provides a donor with the advantages of significant flexibility and control over the timing and manner in which charitable expenditures are made by the family foundation. A family foundation can also provide the donor and donor's family with significant local visibility for the family's charitable work.

On the downside, administrative costs to operate a family foundation can be high since family foundations are subject to a restrictive set of rules and excise taxes can be levied on both the foundation and donors if those rules are violated. In addition, the charitable income tax deduction is lower for donations to private foundations than it is for donations to public charities. Annual income tax deductions for donations of cash to private foundations are limited to 30% of the donor's adjusted gross income (AGI) and to 20% of AGI for donations of capital gain property (as compared to 50% and 30% respectively for donations to public charities).

Charitable Giving Technique: Wealth Replacement Trust

What It Is:

By implementing one or more of the various charitable giving techniques described previously, an individual can realize certain income and estate tax objectives, while ultimately providing assets to a favorite charity. In doing so, however, the donor's family will be deprived of those assets that they might otherwise have received. A wealth replacement trust can be used to replace the value of assets transferred to a charity.

How It Works:

The charitable donor establishes an irrevocable life insurance trust and the trustee acquires life insurance on the donor's life in an amount equal to the value of the assets transferred to the charity. Using the charitable deduction income tax savings (and possibly the income flow from a charitable remainder annuity, charitable gift annuity or pooled income fund), the donor makes gifts to the irrevocable life insurance trust that are then used to pay the life insurance policy premiums. At the donor's death, the life insurance proceeds generally pass to the donor's heirs free of income tax and estate tax, replacing the assets that were given to the charity.

Final Thoughts

"No act of kindness, no matter how small, is ever wasted."

-- *Aesop*

"I am only one; but still I am one. I cannot do everything, but still I can do something; I will not refuse to do the something I can do."

-- *Helen Keller*

"Kindness is the language which the deaf can hear and the blind can see."

-- *Mark Twain*

Important Information

The information, general principles and conclusions presented in this report are subject to local, state and federal laws and regulations, court cases and any revisions of same. While every care has been taken in the preparation of this report, VSA, L.P. is not engaged in providing legal, accounting, financial or other professional services. This report should not be used as a substitute for the professional advice of an attorney, accountant, or other qualified professional.

Life insurance contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. All contract guarantees are based on the claims-paying ability of the issuing insurance company. Consult with your licensed financial representative on how specific life insurance contracts may work for you in your particular situation. Your licensed financial representative will also provide you with costs and complete details about specific life insurance contracts recommended to meet your specific needs and financial objectives.

NOTE ABOUT THE FEDERAL ESTATE TAX: Whether your estate is actually subject to the federal estate tax will depend on the size of your estate, the year you die and whether future Congressional action modifies the estate tax rules.

U.S. Treasury Circular 230 may require us to advise you that "any tax information provided in this document is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. The tax information was written to support the promotion or marketing of the transaction(s) or matter(s) addressed and you should seek advice based on your particular circumstances from an independent tax advisor."