

## WE CAN HELP

I have reviewed this brochure and:

- I would like to talk to someone about sales and unitrusts.
- I would like to receive information about other charitable tax-planning options.
- I would like to sign up for your free e-newsletter.

The best way to contact me is:

- Email  Mail  Telephone

Name \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_

State/Zip \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

(All inquiries are treated with complete confidentiality.)

Please complete this form and either send to **lfink@akroncf.org** or mail to:

Akron Community Foundation  
Attn: Laura Fink  
345 W. Cedar St.  
Akron, OH 44307

## WHY AKRON COMMUNITY FOUNDATION

At Akron Community Foundation, our business is helping you give efficiently, effectively and meaningfully to your favorite causes and charities. You choose the cause or nonprofit. We make sure your charitable gifts reach your targets, whatever they are. By establishing a fund at Akron Community Foundation, you and your family can support activities right here in greater Akron, or at any 501(c)(3) nonprofit in the nation.

With six structured charitable fund options — from popular donor-advised funds to scholarship funds — you can give in the way that makes sense for your charitable dreams. Do you want to give to specific organizations? You can do that. Do you want your family to be involved in the grant-making decisions? We can make that possible, too.

Let us help you establish your charitable legacy in a way that makes the most sense for you and your loved ones. Call your professional advisor today to discuss your options. Or, you can contact us directly at 330-376-8522 or [www.akroncf.org](http://www.akroncf.org).



SELL THE  
FARM



Without losing the  
residence.



Enriching lives since 1955

## ▶ THE TRUE VALUE OF LAND

As couples reach retirement age, those that have built their lives around the family farm in America are facing a new dilemma.

The farm represents their most significant asset, their residence is on the land, and leasing the farm will only produce 2-3 percent of its present value. Many in this situation don't have enough income for retirement, yet an outright sale of the asset will have high tax consequences, resulting in a drastically reduced inheritance for family. Plus, many want to stay in their residence rather than relocating.

Thankfully, there's a plan that can help families in this situation.

## A SPRINGBOARD TO THE GOLDEN YEARS

In spite of the misgivings that surely come in the midst of a decision to sell the farm after investing a lifetime in its productivity, this can mark the beginning of an exciting new era. Thanks to a number of planning options that are at your fingertips, the value represented by the farm can represent significant value in your retirement years.

This information is not intended as tax, legal or financial advice. Gift results may vary. Consult your personal financial advisor for information specific to your situation.

## ▶ SELL THE LAND, PAY ZERO TAX

Several options make it possible to sell the farm, increase income for your retirement years and even avoid moving from the family home.

Let's assume John and Mary own farmland valued at \$600,000. In our example, half of the land is transferred into a charitable remainder unitrust (CRT) and sold by the trustee. There is no capital gains tax, and the couple receives a significant charitable income tax deduction.

The remainder of the land is sold for the fair market value of \$300,000. Thanks to the in-pocket tax savings generated by the trust, the net result is that the couple owes no tax.

For the remainder of their lives, the trust will pay them \$18,000 a year, an increase over what the land had been generating. Upon their deaths, the value remaining in the CRT results in a gift to charity of more than \$380,000.

## THE RIGHT TO LIVE IN YOUR HOME

Assume the fair market value of the homestead is instead \$150,000. First, they retain their homestead. Next, they deed the homestead to charity while retaining the right to use the homestead for life. The couple will benefit from an immediate charitable income tax deduction of approximately \$37,000.

## THE LIFE-INCOME TRUST

Of course, most farms consist of more than the land. In our example, there is another \$200,000 of value in livestock, crops and machinery. The sale of the livestock, crops and machinery would produce a substantial capital gains tax. If, however, they were to transfer these assets into a unitrust, there would be no tax on the sale, thereby leaving

the full \$200,000 to be invested.

This trust will generate an additional \$12,000 of income for John and Mary in the first year of their retirement. Upon their passing, the remaining value in this trust also passes to charity.

