



UT Health
San Antonio

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Using Closely Held Stock to Make a Gift

Allows You To:

- Turn an asset into support.
- Receive a charitable income tax deduction.
- Avoid paying capital gains taxes.

How You Benefit:

- The real cost of your gift is reduced, since you'll save on capital gains taxes and possibly also income taxes by giving appreciated stock to UT Health San Antonio.
- You can use closely held stock to make a variety of different types of gifts, including:
 - An outright gift that gives you a charitable deduction for the fair market value of the property while potentially avoiding capital gains taxes.
 - A gift that gives you income and an immediate tax deduction, while leaving the assets to UT Health San Antonio.
 - A gift that gives UT Health San Antonio income for a few years, then is passed on to your heirs at the time you specify with considerable estate and gift tax savings.
- You can designate your gift to the annual fund, to start an endowed fund, or to support a particular project.
- Your company may also benefit from your gift. Since there is often no resale market for these shares, UT Health San Antonio may be willing to sell the shares back to your company. If your company uses either retained earnings or an employee stock option plan (ESOP) to redeem the shares, it may be able to reduce or avoid taxes.

How does it work?

- The full value of your gift benefits UT Health San Antonio—as a taxexempt organization, UT Health San Antonio doesn't have to pay capital gains tax when it redeems the shares.

Planning Tips

- If your wealth is concentrated in the stock of just one or a few companies, giving some of that stock to UT Health San Antonio to create a gift that gives you an income can help you reduce market risk and diversify your income sources.
- Although incentive stock options cannot be donated while you are alive, consider giving them to UT Health San Antonio as part of a bequest, if your plan allows it. You will be able to create a legacy at The University and potentially save on estate taxes.
- Gifts of closely held stock may require a qualified appraisal, and can take some time to complete—contact UT Health San Antonio early in your decision-making process.