



GIFTS OF REAL ESTATE

Smart Ways to Unlock the Potential of
Your Property and Support Earthjustice

Earthjustice continues to defend our national parks. With the help of our supporters, Earthjustice challenged a proposed expansion of a BP refinery that would violate requirements of the Clean Air Act and degrade the air quality of nearby Olympic National Park.

You can make a real estate investment work for you in new ways. By donating all or a partial interest in real property to Earthjustice, you can create a powerful environmental legacy while reducing taxes. Some giving plans allow you to create replacement income; other plans allow you to continue to use or live on the property for life. Best of all, your gift will ensure that the earth will always have a good lawyer!

Use your property to make a gift that creates significant tax savings, offers many additional benefits to you, and may even generate income for your life.

DO ANY OF THESE SITUATIONS APPLY TO YOU?

- ☑ You own residential or commercial real estate that has appreciated in value — and you no longer wish to manage or maintain it.
- ☑ You would like to eliminate your ownership responsibilities or the burden of being a landlord but need replacement income. You may be able to make a gift that provides lifetime income for you and/or another beneficiary.
- ☑ You have a vacation home that your family no longer uses.
- ☑ Your home has risen in value beyond the capital gains exclusion rate¹. A gift of real estate may reduce or eliminate capital gains taxes owed.
- ☑ You want to remain in your home, then make a charitable gift after your lifetime.

If you are interested in making a gift to Earthjustice and your answer to any of these questions is “yes,” a gift of real estate may be a smart option for you.

HOW IT WORKS

A DIRECT GIFT OF REAL ESTATE NOW OR IN THE FUTURE

- To make a gift now, once Earthjustice has agreed to accept your gift of real estate, you simply deed your property (including a home, vacation property, commercial building, investment property, etc.) to Earthjustice.
- Or, you can make a future gift of real estate through a provision in your will or revocable living trust.
- Once Earthjustice receives the property, Earthjustice will sell the property to fund its general purposes or the program of your choice.

¹The IRS typically allows you to exclude up to \$250,000 of capital gains on real estate if you're single and \$500,000 of capital gains on real estate if you're married and filing jointly.

²We may not be able to accept all potential real estate gifts. Earthjustice's gift acceptance committee will conduct its due diligence and make a decision as to whether we are able to accept your gift.



When fishing industry groups recently wanted to revive a harmful program that excluded otters from parts of their coastal habitat, Earthjustice fought back—and won.

WHAT TYPES OF REAL ESTATE CAN I GIVE?²

Ideal gift properties are debt-free real estate that can easily be sold in 6–12 months, valued at \$100,000 or greater, including:

- Income-producing residential or commercial real estate
- Fully depreciated investment property
- Property acquired through a 1031 exchange
- A vacation home that is no longer needed
- A larger personal residence prior to “downsizing”

THREE SMART AND TAX-WISE WAYS TO GIVE REAL ESTATE

- Gift your real estate directly to Earthjustice, now or after your lifetime.
- Use your real estate to generate lifetime income and tax benefits.
- Make a gift of your home now but live there for life.



For years, Earthjustice has fought to protect Yellowstone's grizzly bears. Any time the grizzly bear has been delisted from the protections of the Endangered Species Act, our lawyers have challenged the designation in court. Most recently, Earthjustice saved grizzlies from a planned trophy hunt after a judge ruled that the Trump administration's decision to strip Endangered Species Act protections from the population was illegal.

GIFT YOUR PROPERTY AND RECEIVE INCOME FOR LIFE

- When you give real property to establish a charitable remainder trust, no capital gains taxes are due when the property is sold.
- The full proceeds from the sale can then be invested to pay you and/or your beneficiaries a lifetime income or for a term of years.
- When the trust term ends, the remaining funds will pass to Earthjustice.

GIFT YOUR HOME NOW, LIVE THERE FOR LIFE

- You can transfer a remainder interest in your home to Earthjustice while continuing to live in your home for your lifetime.
- Your property does not have to be your primary residence — you can give a vacation home too.
- You will receive an immediate significant income tax deduction.
- You agree to continue to perform all obligations of ownership, such as paying for taxes, insurance, and upkeep.
- When the property comes to Earthjustice (conveniently without probate or other administrative procedures), Earthjustice will sell it and use the proceeds of the sale to continue protecting the environment.

Example: Gift of Vacation Home

Many years ago, when their kids were young, Steve and Denise purchased a vacation condo in the mountains. Today, the property is vacant most of the time. The condo generates no income and, although paid for, carries ongoing expenses such as taxes, insurance, homeowners' association dues, and maintenance. Looking to spend more time visiting their grandchildren and streamline their finances while supporting their favorite charity, Steve and Denise donate their property to Earthjustice.

	Outright Sale of Property	Outright Gift of Property to Earthjustice	Property Transfer to a 5% Charitable Remainder Trust
Sale/Transfer Proceeds/Value	\$500,000	\$500,000	\$500,000
Sale Costs (7%)	-\$35,000	\$35,000	-\$35,000
Net Proceeds	\$465,000	\$465,000	\$465,000
Estimated Capital Gains Tax*	-\$104,495	\$0	\$0
Total Amount to Invest or Gift	\$360,505	\$465,000	\$465,000
Charitable Income Tax Deduction	\$0	\$500,000	\$205,820
Estimated Annual Income	\$0	n/a	\$23,250

*Cost basis of property: \$150,000. Blended Federal/California long-term capital gains tax rate. Trust example assumes a 5% payment rate.

A few things to know before making a gift of real estate:

- In general, it is Earthjustice's policy to sell gifted property rather than maintaining and managing it. Gift properties must be easy to sell and have a minimum value of \$100,000.
- We may not be able to accept all potential real estate gifts. Earthjustice will conduct its due diligence to determine whether we are able to accept your gift.
- If you intend to claim a charitable income tax deduction for your gift of real property, the IRS will require you to obtain an independent, qualified appraisal to determine the property's fair market value.
- Due to tax issues, debt-encumbered property may not be appropriate for a charitable gift of real estate, but Earthjustice's gift planning experts will work with you to explore possible solutions to this issue.

ISOLEE SMITH: EVERYONE CAN DO SOMETHING

Isolee Smith, with her late husband Sandy, has been an Earthjustice member and supporter for more than four decades.

Her family connection to Earthjustice runs deep — her children are all committed environmentalists and two sons had long careers with Earthjustice. “Our whole family has been interested in environmental issues for a long time,” shares Isolee. And she is also reminded of why conservation matters through another family connection she experiences every time she walks outside: “My husband’s great-grandfather was the original settler out here. The property is home to quite a bit of wildlife, especially birds. So that reinforces my desire to maintain and protect the land and habitat.”



Isolee Smith and her sons Brian and Dan

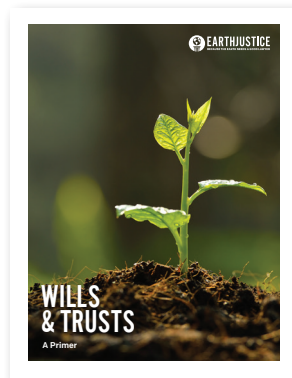
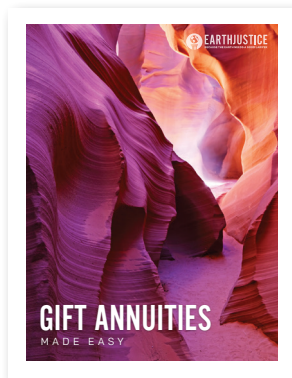
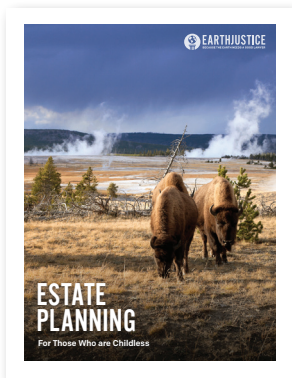
The Smiths found Earthjustice’s legal work to be a natural focus for their philanthropy. “My husband was an attorney before he retired and I was a court reporter, so we’re very comfortable with Earthjustice’s legal work.”

In addition to the Smiths’ decades of membership, support, and engagement, in 2008, Isolee and Sandy decided to donate real estate — two apartment buildings — to Earthjustice by creating a charitable remainder unitrust (CRT). Each year the trust pays out 5% of its annual value for 15 years, after which the remaining funds pass to Earthjustice.

“A gift of real estate was something that we were comfortable with and worked well with our family situation. We liked the tax advantages, particularly being able to avoid capital gains taxes that would have been due if we had sold the property. And by the time we set up the trust, our children were educated, grown, and on their own, so we didn’t have the same concerns with providing for them. It was a very good fit for us. We established the CRT in 2008 and I have been very happy with our gift since then.”

Download our other complimentary planning publications at

legacy.earthjustice.org



We Are Here to Help

Earthjustice's experienced gift planning professionals are ready to assist you in making the best philanthropic decision in line with your family and financial needs. We'll work with you to determine the best gift options for you and Earthjustice. We cannot provide tax or legal advice but are pleased to work with you and your legal and financial advisors.

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