The uncertainty and speculation of last year’s tax law has turned to reality as millions of individuals have filed their tax returns and saw their tax liability for 2018. The loss or limitation of many itemized deductions and the doubling of the standard deduction creates a new tax landscape for most taxpayers. What will this mean for you? While it’s too late to change your current tax situation, it’s not too early to start your tax planning for 2019.

For the charitably inclined, perhaps the greatest opportunity to save taxes is by being strategic with charitable giving, including gifts to the Southwestern Vermont Health Care (SVHC) Foundation.

- **Gifts of appreciated assets still offer substantial tax benefits.** Gifts of appreciated assets, most typically publicly traded securities owned for at least one year, allow a double tax benefit. You can deduct the fair market value of the gift and avoid all capital gain taxes on the appreciation of the asset. Since the value of these assets is often significant, it can enable you to itemize deductions rather than taking the standard deduction.

- **The IRA charitable rollover for qualifying donors offers a tax-free gift opportunity.** Individuals over 70½ can make a direct transfer from a traditional IRA to charity of up to $100,000 per year. The IRA rollover (known as the Qualified Charitable Distribution or QCD) counts toward the person’s required minimum distribution. Those who are no longer itemizing deductions will find this especially attractive as the QCD is not included in gross income.

- **Make larger gifts to charity.** Those in high tax states may find their total deductions put them close to the threshold where they can itemize. In such cases, it makes sense to consider making larger gifts to charity to benefit from itemizing the deductions. “Bunching” of charitable gifts in certain tax years to enable itemizing deductions may be more advantageous from a tax perspective than giving the same amount each year where only the standard deduction will be taken, eliminating the benefit of itemized deductions.

The input of professional advisors should always be obtained to ensure that the strategies you are using are appropriate for your situation. And remember, the current tax law is only in effect through 2025, after which the tax law for individuals reverts to the 2017 law.