In many regions of the country, owning real estate has been a wonderful investment over the years. In some cases, property values have doubled, tripled or more.

But if your vacation home, vacant lot, farm, or office has lost its usefulness or has become expensive or cumbersome to maintain, your property might provide a great way to support the Law School.

**What Are My Options for Donating Real Estate?**

**Make an Outright Gift**
If you give your real estate outright, you will be eligible for a charitable income tax deduction based on the full fair-market value of the real estate you give. You will avoid the capital gains tax you would have had to pay if you had sold the property, and you will have made a generous gift to benefit the Law School.

<table>
<thead>
<tr>
<th><strong>Example: An Outright Gift</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sam wants to make a gift to support the Law School. The undeveloped land he bought several years ago for $10,000 was recently appraised for $100,000.</td>
</tr>
<tr>
<td>If Sam sells the land, he will owe $13,500 in capital gains tax and pay the expenses of sale, but if he donates the land, he will not recognize any capital gain, will be eligible for an income tax deduction for the land’s full $100,000 fair-market value, and will have removed the value of the property from his estate. Most importantly, Sam will have established his legacy of support for generations of law students to come.</td>
</tr>
</tbody>
</table>

On a case-by-case basis, a gift of a fractional interest in real estate may be possible. You will be eligible for a charitable income tax deduction equal to the appraised value of the interest you transfer.

**Fund a “Life Income” Gift**
Real estate can also be used to provide a generous gift to the Law School and a reliable payment stream to you and/or a designated beneficiary for life.

If you contribute real estate to a special kind of charitable trust known as a “Flip” Charitable Remainder Trust

<table>
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<tr>
<th><strong>Example: A Charitable Remainder Trust</strong></th>
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<tr>
<td>The land Joyce purchased 10 years ago for $10,000 recently appraised for $500,000. Now 60 years old and ready to retire, Joyce wants to supplement her income. If she sells the property, she will have to pay $73,500 in capital gains tax plus realtor fees and other expenses.</td>
</tr>
<tr>
<td>Instead, Joyce transfers her land to a 6% “Flip” CRUT, making her eligible to claim an immediate income tax charitable deduction of $171,105 and entitling her to immediate net income distributions from the trust. When the land is sold, Joyce will begin receiving an annual 6% “unitrust” payment each year. At Joyce’s death, the remaining assets in the trust will be distributed to the Law School Foundation to be used for the purposes she designated.</td>
</tr>
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(cont’d, next page)
**Options... (continued)**

**Remainder Unitrust (“Flip” CRUT),** you will be eligible for an immediate income tax deduction at the time of your contribution. Until the trust sells the real estate, you or your designated beneficiary will receive annual payments consisting of the trust’s net income. Once the real estate is sold, the annual “unitrust” payments for the remainder of the trust term will consist of a fixed percentage of the total trust value each year.

At the end of the trust term, the remaining trust assets will pass to the Law School Foundation to be used for the benefit of the Law School for the purposes you designate. You will also have removed the assets from your estate, eliminating any estate tax that may otherwise be due.

In some circumstances, real estate may also be used to fund a charitable gift annuity to benefit the Law School. In contrast to a “Flip” CRUT, gift annuity payments are fixed at the time of your contribution and are contractual.

**Give the Remainder Interest in Your Home—And Retain the Right to Live There**

If you want to receive a current income tax deduction for the gift of your home, but you would like to continue living there for the rest of your life, you could give the Law School Foundation a “remainder interest” in your home and retain a “life estate” for yourself. You will be eligible for a current income tax deduction based on the value of the remainder interest you have given, and you will have the right to live in your home for the rest of your life.

**Make a Gift Through Your Will or Living Trust**

A bequest of real estate through your will or living trust will not be subject to estate taxes and will establish your legacy at the Law School. Simply designate the Law School Foundation as the beneficiary of the real estate in your will or living trust.

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**Whom Do I Contact?**

For more information about donating real estate, please contact Elizabeth Leverage ‘92 at the Law School Foundation, 580 Massie Road, Charlottesville, Virginia 22903-1738; email us at plannedgifts@law.virginia.edu; or call 1-877-307-0158. You can also find information about other planned gifts to benefit the Law School at www.law.virginia.edu/campaign.

The University of Virginia Law School Foundation does not provide legal or tax advice. We recommend that you seek your own legal and tax advice in connection with gift and planning matters. To ensure compliance with certain IRS requirements, we disclose to you that this communication is not intended or written to be used, and cannot be used, for the purpose of avoiding tax-related penalties.

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**YOUR PLANNED GIFTS CONTINUE TO LAY THE FOUNDATION FOR THE LAW SCHOOL’S FUTURE...**