

Giftgng Your Home to Charity

Have you ever thought of giftgng your home to charity? Giftgng a home not only achieves charitable goals, but it also offers tax benefits in the year of the gift and you may even receive cash from the transaction.

Not everyone is in a position to give their home away today but, if you are planning on moving to a vacation home, an apartment, move in with a relative or have the means to buy another home, you may choose to gift your home outright.

If these options are not available to you, you could do what is called a Bargain Sale. This is the outright sale of your home to a charitable organization for less than its fair market value and, by doing so, you will receive the proceeds from the sale of your home to use for future living expenses. You may ask, "Why would I sell my home for less than what it's worth?" The reasons, aside from your philanthropic motives, are twofold; first, you would receive the proceeds from the transaction and second, you would get a tax deduction. The benefit to the charity is the profit they receive when they sell the house at full market value.

But, if you're not ready to move out of your home just yet and still want to leave it to charity, there are a few options available. The easiest way is to bequest it by simply naming the charity in your will. You then continue owning your home until you pass away and, at that time, the ownership of the home will then go to the charity. If you decide to do this, you would still have the opportunity to change your mind. By changing the beneficiary of your will, you can reverse your decision or name a different charitable organization as beneficiary.

Another choice, if you plan on staying in your home, is called a Retained Life Estate. This requires you to transfer the title of your home to a charitable organization but allows you to continue living there for the rest of your life. You are still responsible for the taxes and upkeep but, in return for this gift, you receive an immediate tax deduction and live there rent-free.

Giftgng the home that you have lived and raised a family in may be the most personal charitable gift anyone can make but there is also the satisfaction of knowing that by doing so, you are helping a cause that you truly care about.