

ALLEY THEATRE

A TAX-SAVING WAY TO HELP THE ALLEY THEATRE

If you are 70 ½ years old or older, you can take advantage of a simple way to benefit the Alley Theatre and receive tax benefits in return. You can donate up to \$100,000 from your IRA directly to a qualified charity such as ours without having to pay income taxes on the money.

IRA gifts can satisfy all or part of a required minimum distribution, thus reducing your taxable income. No charitable deduction is allowed, but donors avoid income tax that would otherwise be owed on a withdrawal. In addition, donors who don't itemize their tax deductions can also benefit from this opportunity.

This law no longer has an expiration date and so you are free to make annual gifts to our organization this year as well into the future.

The basic rules for an IRA charitable rollover gift are:

- The donor is age 70 ½ or older on the day of the gift.
- The donor transfers up to \$100,000 **directly** from the donor's IRA to one or more qualified charities. If you receive a check personally and then write a check to the Alley Theatre, you will owe tax on the distribution. This opportunity only applies to IRAs and not to other types of retirement plans such as 401(k)s and 403(b)s.
- The donor pays no federal income tax on the gift. The transfer generates neither taxable income nor a tax deduction, so donors can benefit even if they do not itemize their tax deductions.
- The gift can satisfy all or part of the required minimum distribution for the year.
- The gift may not be used to fund a gift annuity, charitable remainder trust, donor advised fund or private foundation.
- The donor does not receive any goods or services in return for the rollover gift in order to qualify for tax-free treatment.

Please note that this information is not intended as legal or financial advice. The Alley Theatre strongly suggests that you consult your own legal, tax or financial advisor as to the applicability of this legislation to your own situation.

For more information, please contact:

Mary Kay Wittrock
Director of Planned Giving
Alley Theatre
615 Texas Avenue
Houston, TX 77002
Phone: 713-315-3378
E-mail: marykayw@alleytheatre.org