Forwarding Their Love of the Arts

Jackie Mazow recalls how she and her husband, Malcolm, have been involved “for ages” with the Alley Theatre:

I actually appeared in one of the Alley’s first productions when the performances were held in a space that was used as a dance studio on Main Street down an “alley.” Nina Vance was the producer as well as the director, and I somehow remember her putting up chairs for the audience.

When Malcolm was in high school, he participated in a program at his temple that Nina Vance directed. He became fascinated with live performance.

Over the years, we have become what you might call “arts junkies.” We love all the performing arts, with live theater at the top of the list, for me at least. So, we have attended the Alley as subscribers for many years, and as patrons for quite a few years, as well. We were so proud when the Alley received the Regional Theatre Tony Award in 1996.

We have recently become enchanted with the Alley All New Festival. How exciting is it spending the better part of a weekend listening to readings and watching “All New” theatre pieces presented for the first time? It’s like watching a baby animal being born, struggling to find its feet and then getting up and romping off into the meadow. As an example, we attended the reading of Rajiv Joseph’s Describe the Night at the 2017 Festival, and then saw the world premiere this past September. We so enjoyed it, that I went to see it a second time and took friends who enjoyed it as well.

(continued on page 2)
Forwarding Their Love of the Arts  (continued from front page)

We realize that as we are growing older – not old, just older – we have a responsibility to make certain there are such quality arts experiences for our kids’ generation and others. Several years ago, when we began planning for our future, we wanted to make provisions in our estate plan to ensure the arts would be accessible for future generations. We explored many options, and we decided to establish a charitable remainder unitrust; the Alley has been made one of the beneficiaries.

We feel extremely fortunate to have such a vibrant arts scene in Houston. Being part of a group of outstanding, talented, dedicated and passionate individuals, as we have at the Alley, makes us proud, indeed!

In our many travels, we always seek out whatever art experiences there are in the area we are visiting, be it on Broadway or Tanglewood Music Festival. But when we return home, we are equally excited to attend the wonderful performances right here in our own backyard.

We are anxiously anticipating our next Alley performance!

How Does a Charitable Remainder Trust Work?

A charitable remainder trust is an arrangement in which you irrevocably place cash, securities or other property, but keep an income – usually for life. When the trust ends, the property in the trust passes to a charity you name, such as the Alley Theatre, much as if you had left a gift in your will. But because you chose to accelerate your gift by means of a trust, you are entitled to a substantial income tax charitable deduction.

**How much will the trust pay me?** You can choose a trust that makes fixed payments of at least 5% of the amount you contribute to the trust (an annuity trust) or a trust that pays fluctuating amounts equal to a minimum of 5% of the annual value of the trust assets (a unitrust).

**What will my charitable deduction be?** The amount of the deduction depends on the age or ages of the person(s) receiving payments and the amount of the benefits you want to receive each year. We can provide you with tax and financial benefits for your particular situation.

---

**Are there advantages to funding a charitable remainder trust with stock?** If you transfer appreciated stock that you have owned more than one year to a charitable remainder trust, all capital gains and net investment income taxes are avoided when the trustee sells the shares. You receive payments based on the full value of the stock.
Itemized Deductions: More or Less

Itemized deductions fell into three basic categories in the Tax Cuts and Jobs Act of 2017: those that were enhanced, those that were restricted and those that disappeared.

**Enhanced**

- Donors will be able to deduct more for their cash gifts to charity. Previously, a donor could claim deductions up to 50% of his or her adjusted gross income, while carrying over any excess to the next five years. Cash gifts are now deductible up to 60% of adjusted gross income.
- Medical expenses are deductible through 2018 if they exceed 7.5% of adjusted gross income. The threshold was to have been 10%.

**Restricted**

- The deduction for interest on mortgages on first and second homes entered into after December 15, 2017, is limited to indebtedness of $750,000. Homeowners with mortgages prior to that date can continue to deduct interest on up to $1 million of indebtedness.
- The deduction for state and local taxes (income or sales tax and real estate tax) is limited to $10,000.
- Unreimbursed casualty losses are still deductible, subject to a $100 loss and to the extent they exceed 10% of adjusted gross income, but only if the loss is attributable to a presidentially declared disaster.

**Disappeared**

- In certain cases, interest paid on home equity loans – previously limited to $100,000 of indebtedness – is no longer deductible.
- The many expenses that fell under the heading of miscellaneous itemized deductions are no longer deductible. These include fees for safe deposit box rentals, investment advice, income tax return preparation, union dues and work tools.

Free Booklet

For more details on the recent tax legislation passed in December 2017, the Alley Theatre is offering a FREE publication entitled *Planning under the New Tax Rules*. The publication is available by mail or e-mail and there is, of course, no obligation. Simply return the enclosed card in the envelope provided.
If you would like to make a gift for the future of the Alley Theatre, our legal name is Alley Theatre and our Tax ID number is 74-1143076.

DID YOU KNOW?

Describe the Night premiered on September 20, 2017, just three weeks after the deluge from Hurricane Harvey. Days after the flood, the Alley secured a new rehearsal space for the actors, an alternate performance venue at the University of Houston and moved the scene shop to our un-air-conditioned warehouse to build a new redesigned set. The show not only went on, but garnered critical success and continues to thrive. Describe the Night has been subsequently produced by the Atlantic Theater Company in New York (off-Broadway debut) and Hampstead Theatre (London).

Jeffrey Bean, Todd Waite and Liv Rooth in the Alley Theatre’s world premiere production of Describe the Night