

Quick Quiz! Real Estate Donation: 47 Critical Questions

(by Dennis Haber and Chase Magnuson)

1. Why is it important to calculate basis?

- A. To determine cost for tax purposes
- B. It's not important as basis doesn't matter in real estate gifting
- C. To determine the gift deduction in certain types of gift arrangements
- D. Both "A" and "C"

2. What counts as dealer property?

- A. Property held for more than a year
- B. Property held for less than a year
- C. Property not held for investment purposes
- D. Both "B" and "C"

3. What percentage of AGI may an individual take for their charitable gift donations?

- A. 10%
- B. 30%
- C. 50%
- D. 75%

4. What percentage of corporate income may be offset by a charitable gift deduction?

- A. 10%
- B. 30%
- C. 50%
- D. 75%

5. Which of the following qualifies for a charitable gift donation?

- A. Timber
- B. Water rights
- C. Mineral rights
- D. All of the above

6. What is the IRS designation for a public charity?

- A. IRS #561
- B. AOL
- C. 501 (c) 3
- D. Section #1031

7. Donors may split their donations among how many charities?

- A. 1-4
- B. 4-7
- C. 7-11
- D. All of the above

8. Donation of a personal residence may be used for both a retained life estate and a charitable gift annuity arrangement.

- A. True
- B. False

9. International properties qualify as gift donations.

- A. True
- B. False

10. Realtors are normally paid fees by the charity.

- A. True
- B. False

11. Who must obtain a qualified appraisal to receive the benefit from a gift donation?

- A. The charity
- B. Title Company
- C. Donor
- D. None of the above

12. Donation of property held for less than a year might avoid capital gains tax.

- A. True
- B. False

13. Debt encumbered property can be donated.

- A. True
- B. False

14. A simultaneous closing may be used to transfer ownership of a donated property.

- A. True
- B. False

15. A Realtor may earn more than one type of fee in a single donation transaction.

- A. True
- B. False

16. How many charities are there in the United States?

- A. 100,000
- B. 350,000
- C. 750,000
- D. 1,600,000

These real estate donations qualify for a charitable gift deduction:

17. Farms/ranches [T] [F]

18. Condo in Rome or Paris [T] [F]

19. Medical building housing doctor's practice [T] [F]

20. A lot in Florida [T] [F]

21. Cabin in Pennsylvania [T] [F]

22. A 17% ownership interest in apartment complex? [T] [F]

23. A donor has what period of time in which to use a charitable deduction?

- A. One year
- B. Two to five years
- C. Six years
- D. None of the above

24. Which of these open-ended questions might open a donation discussion with your client?

- A. What are your plans for your next step with your investment property?
- B. Have you ever considered a gift of real estate?
- C. Did you know that your real estate equity could provide a lifelong income stream?
- D. All of the above

25. What do the donors get from a gift of real estate?

- A. Released from property management issues
- B. A chance to see the donations impact upon a charity, lower the value of their estate and prevent family feuds.
- C. None of the above
- D. All of the above