

## How may a person or couple save on their Federal and State tax bill?

People (Christians) who are age 70 ½ or older can contribute from their IRA **directly** to their church or any charity and avoid paying income taxes on the distribution. This is known as a qualified charitable distribution and is limited to IRAs.

The limit on contributions is \$100,000.

The limit of deduction is 100% of AGI adjusted gross income.

The tax saving amount is determined by your marginal tax rate for Federal plus a flat tax rate for NC multiplied by the amount of your **direct** gift from the IRA.

The IRA fiduciary will provide and require a form to execute a direct and tax free gift from your IRA to the church.

At age 72 or 73, one must take a RMD (required minimum distribution) or percentage from all IRA accounts. The direct charitable IRA Gift is considered a **tax free** part of the required distribution amount.

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