

Elysium's Donation Strategy Checklist

This checklist is your step-by-step roadmap to eliminating capital gains tax and maximizing the federal and local benefits of donating appreciated real estate assets (land, undeveloped parcels, or rental properties).

Phase 1: Strategy	Action Point (Step-by-Step Guidance)	Key Rationale / IRS Requirement
 Engage Tax Experts First	Consult with a CPA and real estate attorney before structuring the gift.	This is the required first step for legal and tax compliance.
 Target Appreciated Assets (Long-Term)	Identify real estate held for >1 year that has significantly appreciated.	Allows you to avoid capital gains tax and deduct the full Fair Market Value (FMV).
 Verify Qualified Charity	Confirm the recipient is a qualified public charity or DAF (501(c)(3)).	Required for the charitable deduction to be valid.
 Confirm Debt-Free Status	Ideally, the property should be debt-free. Avoid donating mortgaged property to prevent triggering "bargain sale" rules.	Mortgaged property can generate capital gains tax.
 Time the Transfer (Avoid "Anticipatory Assignment"):	Execute the donation before the property is under a binding sales contract.	Crucial to legally eliminate capital gains liability for the donor.
Phase 2: Strategy	Action Point (Step-by-Step Guidance)	Key Rationale / IRS Requirement
 Obtain a Qualified Appraisal	A qualified appraisal is MANDATORY for any real estate donation over \$5,000.	Required to substantiate the Fair Market Value (FMV) for the deduction.
 Complete Legal Transfer:	Transfer the deed or title directly to the charity or DAF.	Final step for legal ownership transfer.
 Secure Written Acknowledgment	Obtain a detailed written receipt from the charity for contributions of \$250 or more.	Required IRS documentation for contributions.
Phase 3: Strategy	Action Point (Step-by-Step Guidance)	Key Rationale / IRS Requirement
 File Form 8283	This IRS form is required for all noncash contributions over \$500, signed by the charity.	Essential for substantiating the claim to the IRS.
 Manage AGI Limits	Deduction is limited to 30% of AGI for appreciated real estate (or 60% for cash/profit donations).	Adherence to IRS charitable deduction AGI limits.
 Utilize the Carryforward Rule	Apply the excess deduction for up to five subsequent tax years.	Maximizes the long-term tax benefit of the donation.
 Itemize Deductions	You must itemize deductions on Schedule A (Form 1040) to legally claim the contribution.	Deduction requirement.
 Capture Local Incentives	Document any additional local incentives secured (e.g., density bonuses, fee credits) to capture the overall benefit.	Maximizes strategic and financial benefits in Texas.