

FACT SHEET FOR DONORS – Property

Have you considered donating to La Trobe University for our teaching programs, research projects, student scholarships or campus buildings?

Donor benefits

Donors can claim tax deductions for property gifts made to La Trobe University. Property has a wide meaning and includes physical things, shares/dividends, life insurance proceeds, rights and interests that are capable of ownership and have a value.

NEW - Direct Gifts of Shares

Donors can now claim a tax deduction for the directly donating publicly listed shares held for more than 12 months and valued at \$5,000 or less. Donors may find that donating shares directly is more beneficial than selling shares and donating the proceeds.

How can a tax deduction be claimed?

A donation for property can be spread over a maximum period of 5 years at the donor's discretion and claimed in your tax return. Note that a deduction for a gift cannot add to or create a tax loss. (See the current TaxPack for the form *Election to Spread Deduction for a Gift*.)

Property donations – special conditions

Property purchased and held for <u>less</u> than 12 months	Tax deduction is the lesser of the: <ul style="list-style-type: none">• Original cost price or,• Market value at time of gifting
Property purchased and held for <u>more</u> than 12 months	<ul style="list-style-type: none">• If valued at <i>greater</i> than \$5,000 then valuation is determined by the Commissioner or, If valued at <i>less</i> than \$5,000 then no deduction is allowed.

Property Valuations

Tax Office valuations are made by the Australian Valuation Office (AVO), which is a part of the Tax Office.

Capital Gains Tax (CGT)

Property gifted (including gifts of shares) is subject to CGT. The exception is cultural gifts and testamentary gifts.

What are the characteristics of a *bona fide* gift?

- a. They are made voluntarily,
- b. They do not provide a material benefit to the donor, and
- c. They essentially arise from 'benefaction, and from detached and disinterested generosity.'

How to donate property

For general enquiries on property donations, phone the University's Taxation and Banking Manager on 03 9479 2068.

The tax benefits of donations are subject to prevailing taxation legislation. For further information on donations, visit the Australian Taxation Office website at:

<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/34496.htm>

This Fact Sheet does not constitute investment or financial advice and La Trobe University does not offer investment or financial advice. Donors should seek independent professional advice on tax and other implications before making a gift.