

Mort Zuckerman

Assume: painting FMV \$50,000,000
income \$50,000,000

1. Donate to a public charity (museum) - satisfy related use rule - deduction allowed \$50,000,000 - subject to review & audit by IRS Art Panel
- | | |
|------------|-----------------------------|
| 50,000,000 | adjusted gross income (AGI) |
| 15,000,000 | deduction - maximum 30% AGI |
| 5,940,000 | tax saved (39.6%) or |
| 6,510,000 | tax saved (43.4%) |

* There is a five (5) year carryover so it will take 4 years to achieve savings of \$5,940,000 each year, the amount available to give to satisfy charitable pledges.

2. Donate to a private foundation - MBZ Foundation
- | | |
|------------|---|
| 50,000,000 | AGI |
| 5,000,000 | deduction - limited to cost since fail related use rule |
| 1,980,000 | tax saved (39.6%) or |
| 2,170,000 | tax saved (43.4%) |

* There would be \$1,980,000 plus \$50,000,000 to give to satisfy charitable pledges.

3. Sell at \$50,000,000
21,700,000 43.4% tax
28,300,000 net after tax available
to satisfy charitable pledges

REL