

Tax Advantages In Giving Cash, Stock Or Property As Gifts

CHAPEL HILL.—As you draw up your holiday gift list, remember the tax advantages of giving cash, stock or property, either to your family or to a charity. Gifts to employees can also qualify you for a tax break.

A gift to your secretary may be considered a business gift, and the value of this holiday present plus any other gifts made to this person during the year may be deducted, only up to

\$25. To deduct the cost of a gift on your federal income tax return, keep records of each business gift, says the North Carolina Association of CPAs. Record how much it cost, when it was given, the reason for giving the gift, who received it and that person's business relationship to you, plus a description of the gift.

If you own your own business and you give each of your employees a cash bonus, the total amount of the bonuses may be deducted. Should you, as an employee, receive such a bonus, you must report it as income on your tax return. When you receive a gift of nominal value, like a turkey or ham, you don't have to

report it. In order for your contribution of property to a charity to be tax-deductible, it must be to or for the use of the organization itself. For example, when you donate books or quilts to a charity to sell at its holiday bazaar, you may deduct the fair market value of the items. If you donated the goods to a bazaar organized by a person outside the charity who then donated a percentage of the proceeds to the charity, then you may not take a deduction. You may donate works of art, securities and real

estate and qualify for a tax deduction. There are various rules which determine what portion of the fair market value of this type of property may be deducted, so check with your tax advisor for the tax advantages of making such a contribution. Your business can donate ordinary income property (property which would not result in long-term capital gain if sold). For example, you could contribute a supply of calendars to various hospitals, churches and schools. Generally, you can deduct what the property originally cost you.

If the supply of calendars cost \$2,500 to produce, then you could deduct \$2,500. When your firm donates property that can be sold for a capital gain, such as a piece of real estate, you usually can deduct the fair market value of the property at the time of the contribution. Again, consult your tax advisor first. You can give a cash gift of up to \$3,000 each to as many individuals as you wish during each calendar year. If your spouse joins in the giving, the amount of each gift can be increased to \$6,000. Should your gift to an individual exceed these

limits, you'll be required to file a gift tax return. CPAs suggest that you check to see if your state gift tax laws differ from federal rulings. When you give a family member a gift of stock he or she pays no tax upon receipt of the stock. Upon sale of the stock, however, gain or loss by the recipient generally is figured on the price you paid for the shares. For example, you give your niece 100 shares of stock for which you paid \$30 a share. When she sells the stock, its current market value is \$35 a share. She figures her gain or loss on your cost of \$30 per share.

Herald Kitchen

Continued From Page 1. In large kettle combine remaining ingredients; add zucchini and onions; mix well. Bring to a boil; simmer 7 minutes. Spoon into desired containers. May be kept in refrigerator for 6 to 8 weeks. OR, pack boiling hot into sterilized jars, leaving 1/4-inch head space. Adjust caps. Makes 7 half pints.

Honey Almond Sauce. Heat one cup semi-sweet chocolate pieces with 1/2 cup each whipping cream and honey until chocolate melts. Stir in 1/2 cup chopped, blanched almonds. Serve warm over ice cream and enjoy!

When you distribute specialty items such as a calendar with your company name, costing less than four dollars each, you can deduct the cost for these items as business gifts. (This cost is not included in

Holiday Briefs
Combine two seasonal favorites for a delightful holiday toast. Use 3 quarts eggnog and one and one-half quarts apple cider, add spices to taste (1/2 teaspoon each, nutmeg, and cinnamon, 4 whole cloves, 1 teaspoon grated lemon peel) and heat over low heat. May be served cold, also.

Top the traditional plus pudding with Hard Sauce made by creaming 1/2 cup butter to which gradually add 2 cups confectioners' sugar, a dash of salt and flavoring, such as a teaspoon vanilla, and 1/2 teaspoon rum extract, if desired.

Eggnog Sauce is delicious with your holiday desserts. Combine a tablespoon sugar with a tablespoon cornstarch, then gradually add 2 cups eggnog and cook over medium heat, stirring constantly until thickened. Cook 2 additional minutes. Remove from heat; stir in a teaspoon grated lemon peel and 1 tablespoon brandy extract. Serve warm.

For a holiday cheese roll that may be sliced and served over toast rounds or crackers, blend equal parts shredded Cheddar cheese, crumbled Brie cheese and cream cheese; shape into a roll. Dust with chopped parsley and refrigerate. This cheese mixture may also be shaped into a ball and covered with chopped nuts.

A scoop of ice cream makes a wonderful dessert served with Chocolate

Local Student In Who's Who

WILMINGTON — Patricia Ann Wallace of Edenton is among the 34 students selected to represent The University of North Carolina at Wilmington in the 1981 edition of Who's Who Among Students in American Universities and Colleges. Miss Wallace was selected for the honor based on her academic achievement, service to the community, leadership in extracurricular activities and future potential.

Season's Greetings and best wishes for a happy and safe 1981.

Your Nationwide agent wishes you the happiest of holidays, and a new year full of health and joy.



Joe Thorud

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