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# Knowledge Nugget #4 – Tax, Charitable Giving and Community Foundations – Part I

# *Quiz Questions*

1. Tax reform legislation passed in 2017 reduced significantly the number of taxpayers who itemize deductions on their federal income tax return. True or false?
2. If a taxpayer itemizes deductions on their federal income tax return, they get a greater tax benefit if they make a gift to their church than if they make a gift to a community foundation. True or false?
3. What is the most important reason that most people make a charitable gift?
   1. A friend asked them to.
   2. The tax benefits they receive.
   3. They can create a gift which provides them with income.
   4. The pure joy and rewards from supporting a charitable organization
4. Warren Buffet’s net worth is approximately $90 billion. Suppose, on his death, he gives $1 billion to his wife, $10 million to his housekeeper, and the remaining $89 billion to the Bill and Melinda Gates Foundation. How much will Warren Buffet owe, under this scenario, in federal estate taxes?
   1. $36 billion, or 40% of his estate.
   2. $404 million, or 40% of the amount given to his wife and his housekeeper.
   3. $4 million, or 40% of the amount he will give to his housekeeper.
   4. He will not owe any federal estate taxes.
5. Because so few donors itemize their taxes, there is no longer any need to send a tax receipt to a donor who sends in a charitable gift. True or false?
6. Between 1980 and 2017, the percentage of federal income tax payers who itemized their taxes – and were able to deduct charitable contributions – hovered between 30% and 40%. In 2018, after the tax reform legislation, approximately what percentage of all tax returns itemized their deductions?
   1. 40%
   2. 30%
   3. 20%
   4. 10%
7. The amount of charitable gifts deducted on federal individual income tax returns fell from about $147 billion in 2017 to about $93 billion in 2018, a drop of $54 billion. This means that charitable giving dropped by at least $54 between 2017 and 2018. True or false?
8. The tax reform legislation passed in 2017 made it illegal for a donor to leave a charitable gift unless their estate is valued at at least $11.58 million. True or false?