



January 2018

## How will changes in Tax Legislation impact Thornton-Donovan families?

**Annual Gift Exclusion:** Limits have increased up to \$15,000/year for a single tax payer and up to \$30,000 for a married couple filing jointly. Lump sum contributions no more than 5 years forward have increased up to \$75,000 for a single tax payer and up to \$150,000 for a married couple filing jointly. Any amount in excess of the lump sum limits will be drawn down from the \$11.2 Million lifetime estate tax exemption and are subject to gift tax.

**Are you in need of a tax deduction?** Thornton-Donovan's establishment operates as a 501(c)(3) under the EIN: **13-1740493** in which charitable contributions made to the school are tax deductible on Schedule A of Form 1040.

### Invest in the children's future via Thornton-Donovan's Loyalty Fund

**529 Education Savings Plans:** In addition to higher (post-secondary) education, distributions from 529 plans of up to \$10,000/year per student can be used for tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school.

Contributions for residents of New York are state tax deductible eligible up to **\$5,000** for a single taxpayer and up to **\$10,000** for a married couple filing jointly, contingent upon the contributor being the custodian on the account.

**UTMA/UGMA Overview** (Universal Trust/Gift to Minors Act Account): Governs accounts established by custodians for the benefit of a minor child. Contributions to a UTMA/UGMA are not tax deductible, there are no income or contribution limits and earnings on realized gains have tax liability.

- First \$1,000 of earnings is free from federal income taxes
- Next \$1,000 is taxed at a child's rate (kiddie tax)
- Earnings above \$2,000 are taxed at the parents' marginal rate

For more information, contact the following

#### Charitable Contributions

**Douglas E. Fleming**  
(914) 632-8836

#### 529 Plans

**Sean K. August**  
(914) 225-7151

