

Tax Impact Timeline

When Taxes Strike – and Who Pays



	NOW	GIFT	CHARITY	DEATH
<i>How It's Taxed</i>	Income tax on income/interest; capital gains on sales	Gift tax rules; carryover basis to recipient	No taxes due if transferred directly to qualified charity; limits apply	Estate tax; step-up in basis (where applicable); IRD on pre-tax accounts; IRA 10-year rule
<i>Tax Rates</i>	Income tax bracket/capital gains tax + extra	Gifts above 19K reduce lifetime gift exemption; heir pays taxes after gift	N/A: donor may receive tax deduction	MN Estate tax above \$3M at 13-15%; federal above \$13.99M at 40%; income tax bracket on qualified assets (excludes charity)
<i>Who Pays</i>	You	You / Recipient	No One	Heirs