



BIG HOLE
WATERSHED COMMITTEE
Conservation Through Consensus.

Livestock Donation

To Support Big Hole Watershed Committee

Please consider a gift of livestock. Your gift of livestock will help BHWC continue to enhance the ecologic and economic sustainability of the watershed for the people who live, work and play here. You now have the ability to make a substantial gift to the Big Hole Watershed Committee (BHWC) and *reduce your taxes*.

How Livestock Donation Works

1. You donate one or more of your animals to the BHWC before they are sold.
2. You deliver the animal(s) to auction or through private treaty and fill out the BHWC Bill of Sale.
3. The auction house sends the donation to the BHWC along with a copy of the Bill of Sale.
4. BHWC supplies you with all necessary forms and recognizes you for your donation.

Why Donate Livestock Rather than Sell Livestock and Donate the Cash?

Livestock donations are an easy and desirable way to give and support the work of the Big Hole Watershed Committee. Gifting livestock (or other commodities such as hay) avoids the income recognition and associated income and self-employment tax you would incur. A gift of livestock could be a win-win situation for you and the BHWC.

Here is an Example

A rancher donates a calf to the BHWC with a simple letter (we provide a sample for you). When it's time to take the calf to auction and the calf is sold, the rancher fills out the BHWC Bill of Sale. The full proceeds (let's use \$600 as an example) are sent to BHWC by the auction house along with the Bill of Sale. The rancher is recognized by the BHWC for donating \$600 to help accomplish our mission. If the rancher had instead sold the calf for \$600, paid the appropriate taxes and then made a donation to BHWC, \$392 would be left to make a gift:

Example of Donating Livestock versus Cash with a \$600 Livestock Value

<i>Donate Cash after \$600 Livestock Sale</i>	<i>Donate Livestock Sold for \$600</i>
<i>SE tax:</i> $15.3\% \times \$600.00 \times 0.9235 = \85	<i>Donate Livestock to BHWC at time of sale, livestock are sold for \$600.</i> <i>Total taxes paid = \$0</i> <i>Auction house makes payment directly to BHWC.</i>
<i>Federal tax:</i> $15\% \times (\$600.00 - 42[\$84 \times 50\%]) = \$84$	
<i>Montana State Income tax:</i> $6.9\% \times (\$600 - 42) = \underline{\$39}$	
<i>Total tax you pay:</i> $= \$208$	
<i>Your BHWC donation & Your tax deduction</i> $\$600 - \$208 = \underline{\$392}$	
<i>(Your actual results may differ somewhat based upon your personal situation)</i>	<i>Total donation to BHWC & Your tax deduction = \$600</i>



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Contact Us for More Information

Our Executive Director will work with you on how you'd like to be recognized for your gift. Please don't hesitate to contact us or our Executive Director with any questions you may have.

Big Hole Watershed Committee
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bhwc.org

The Big Hole Watershed Committee is a 501(c)3 nonprofit entity and your contribution is tax deductible. Our tax identification number is: 11-3737644.