

Gifts of
**Oil, Gas and
Mineral Rights**



Unearth
Your
Giving
Potential

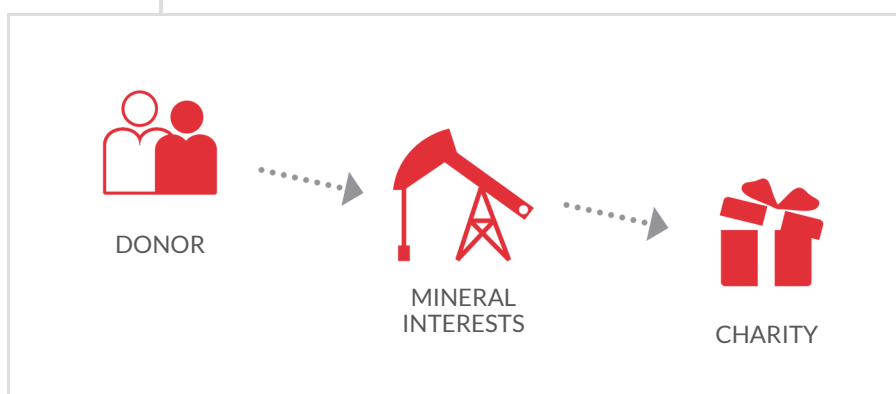
L A C C
LOS ANGELES CITY COLLEGE
FOUNDATION

Do you own land or an interest in mineral rights, such as oil, gas or other minerals? Your land or mineral rights are valuable property rights that can be given to support our work and mission.

How Can a Gift of Land and Mineral Rights Benefit You?

When you make a gift of your interest in land with mineral rights, you may benefit in the following ways:

- Receive a tax-saving charitable deduction
- Avoid income taxes on royalty payments
- Receive lifetime payments by funding a charitable remainder unitrust with your land and mineral rights
- Support the charitable causes important to you



More on Gifts of Mineral Rights

Other Minerals: Coal, iron ore, sulphur and precious metal are considered minerals.

State Law: The laws of your particular state will affect the ownership rights of minerals.

Real Property: Minerals are considered part of the real estate until extracted.

Strategies for Gifts of Mineral Interests

One of the biggest challenges with owning land rich in oil, gas or other minerals is the income taxes that arise with production. There are four basic ways you can use your land while managing your income in a favorable way:

By making a gift of your royalty rights, you are able to continue your support and receive greater tax advantages.

Gift of All or a Portion of Your Land

You can receive the most direct tax benefit by giving all or a percentage of your ownership interest to us. You may be entitled to take an income tax deduction for the appraised value of the portion you give. This reduces your income and provides immediate tax savings while supporting our work.

Gift of Royalties

You can give a portion of your royalties to support our work today or over a number of years. This strategy may allow you to achieve your charitable goals while lowering income and reducing your taxes.

Charitable Remainder Unitrust

You receive income while fulfilling your charitable goals. By giving your land and/or royalty interest to a charitable remainder unitrust, you receive a charitable income tax deduction and payments based on a percentage of the trust's value each year. After all payments have been made, the remainder will go to help further impact our mission.

Charitable Life Estate

You can make a gift of your home, farm or ranch to us while retaining a "life estate," which is the right for you to continue to use the land for as long as you live. Even though the land will not pass to us right away, you receive an immediate income tax deduction for your gift.

Is a Gift of a Mineral Interest Right for You?

If you own land with minerals, would like to save income taxes and desire to support our work, then these gift strategies may be worth considering.

Definitions

Mineral Rights

Sometimes called "mineral interests" are the rights to mine (or extract) minerals, oil and natural gas sitting below ground. These rights can be owned in conjunction with the "surface" rights or owned separately.

Mineral Lease

A legal arrangement where a third party enters into a contract with the owner of land or mineral rights to extract the minerals, oil or natural gas.

Royalties

The payments made under a mineral lease from the party that is extracting the minerals, oil or natural gas to the owner of the mineral interests.



May We Be of Assistance?

If you have any questions about gifts from your mineral interests, please contact us. We would be delighted to assist you and answer any questions that you have.

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