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Here's the Tax Beat broadcast for November 18

Subject Line: For Whom the Bill Tolls

For 45 years, Metallica has been the loudest thing in your kid's bedroom. They gave us "Enter Sandman," "Master of Puppets," and a whole generation of chiropractic patients. So you might not expect the heaviest band on earth to have a soft spot for . . . welders. Life is full of surprises.

In 2017, the band launched a foundation called All Within My Hands. (Yes, that's a song title. Buckle up. There'll be a quiz.) Two years later, it started the Metallica Scholars Initiative, which gave $1 million for 10 community colleges who train students for skilled trades. James Hetfield says he wants to shatter "the stigma of trade skills." (If you've paid an electrician lately, you know that stigma isn't hurting anybody's rates.) Welcome home, sanitarium? More like welcome home, HVAC.

Since then, the thing's become some kind of monster. This year the band committed $3.3 million to reach 93 schools in all 50 states (and Guam), plus $250,000 to launch in the UK. About 15,000 students have gotten help. And here's the part that'll make any nonprofit treasurer weep: the band covers the overhead, so every dollar a fan gives goes straight out the door. Hardwired to self-destruct? No. Hardwired to actually work.

So where does the money come from? Fuel for the fire comes from fans, at benefit concerts and auctions. (One show in 2022 show raised about $3 million in one night.) Which is where the IRS shows up, as welcome as a mosh pit at a string quartet.

Let's say you bid $10,000 to buy a guitar signed by all four members. You don't get a $10,000 deduction. You deduct what you paid minus what you got. If the guitar's worth $4,000, your gift is $6,000. (For anything over $75, the charity has to put that math in writing.) Same goes for the $1,000 gala ticket that comes with a $200 dinner. And the rock star who donated the guitar? He generally can't deduct more than he paid for it. The autograph that makes it priceless to a die-hard fan is worth exactly nothing on his return. To the IRS, nothing else matters but fair market value.

Starting this year, the math gets even heavier. The One Big Beautiful Bill Act dropped a floor under charitable deductions like Lars dropping a double-kick. If you itemize, the first 0.5% of your adjusted gross income in gifts earns you nothing. Make $1 million, and your first $5,000 of generosity is on the house. (*Your* house.) Give $50,000, and you deduct $45,000. And if you're in the 37% bracket, there's a second verse: your deductions now save you 35 cents on the dollar, not 37.

None of this means you should give less. It means you should give smarter. Bunch several years of gifts into one, so you clear the floor once instead of tripping over it every December. Park the money in a donor-

advised fund and send it out wherever you may roam. Fund it with appreciated stock you've held more than a year, and you'll skip the capital gains tax while deducting the full value. No foundation, no board, no roadies required.

Here's the catch: all of it has to happen by December 31. We file your return in the spring, but by then the amps are packed and the trucks are gone. A tax return just records what you already did. Only the memory remains. A plan is what lets you seek and destroy the bill before it ever hits the stage.

We can't teach you to shred like Kirk Hammett. But call us before the year's final encore, and we'll make sure the tax bill doesn't toll for thee!

Kevin

