

# GIFTS OF INTELLECTUAL PROPERTY

WE DEFINE THE *Future*

## WHAT IS INTELLECTUAL PROPERTY?

Intellectual property refers to the fruits which result from mental labor, and is any product of the human intellect that the law protects from unauthorized use by others.

When an idea is created that may result in future monetary gain, the first legal step to protect that idea is a patent. The idea could be something as simple as an insider process which is the foundation to your company's success or as complex as a new invention. The most common forms of intellectual property protection are copyrights, patents, and trademarks. The creation of this patent turns your intangible asset (the intellectual property you created or own) into a tangible, legally recognized asset. This type of asset can become a tax-deductible charitable gift, which is a benefit to both you and CSUSB.

## WHAT ARE THE TAX BENEFITS?

There are two ways you can earn a tax deduction from CSUSB for a gift of your intellectual property asset. You have the right to receive the full face value of your intellectual property, as a tax deduction, at the time of donation. Additionally, you can continue to receive tax benefits based on any royalties or other monetary gains received by the asset. You can earn years of tax-deductible gains with one intellectual property gift to CSUSB. As patents rise, so will the future restrictions on this type of tax-deductible gift; lock in your benefits for this year before the IRS regulations tighten.

## DETERMINING THE VALUE OF YOUR INTELLECTUAL PROPERTY

Valuation of this type can seem a bit tricky to determine. The IRS recommends that a third party certified in the relevant field shall perform an appraisal of your asset at the time of donation. This appraisal will determine your current holdings value, and thus your eligible tax deduction value, at the time of donation. The Office of Planned Giving can help you find a qualified appraiser in your area. Contact our office today for more information about available intellectual property valuation resources in your area.

**Intellectual property is likely to continue to be a growing market.** This means that charitable gifts of this type are also likely to increase. This giving trend can be a unique value to owners of intellectual property at tax time. If you would like to benefit from the tax advantages of intellectual property donation, or would like to learn more about whether or not your specific gift is the right fit for CSUSB, give our team a call. We would love to speak with you.

