



Consider “Gifting” Your Precious Metals Investments To Heirs *Gifts are a way to avoid inheritance and estate taxes legally*

ADDISON, TEXAS (November 14, 2012)... Estate taxes can eat up the value of everything you've worked hard to accumulate, leaving your heirs with less than you anticipated. This is particularly true in the case of precious metal because taxes on the exchange of precious metals are higher than on stocks or equities. One way to bypass those taxes is by providing direct gifts to heirs while you're alive. Since a gift is not taxable income, recipients enjoy them tax-free.

“Preparing for the distribution of your estate—including a coin collection or bullion—may be something you'd rather not think about,” says Terry Hanlon, president of [Dillon Gage Metals](#), dealers in Dallas. “But you need to take time to do it for the sake of your heirs.”

The general IRS rule is that gains on the direct sale or exchange of precious metals are taxed at a collectibles rate of 28%, instead of the more favorable, long-term capital gains rate of 15% that other common investments, such as stocks, receive. The 28% rate applies to capital gains on the sale of precious metals, coins, gems, stamps, works of art, rugs, antiques and wine.

In your will, if you leave a son or daughter a one-ounce gold bar worth \$1,600, the tax on that exchange is a substantial \$448. The 28% tax on precious metals applies to coins, bullion, bars, wafers, paper or certificate forms of gold, exchange traded funds or ETFs and electronic forms of gold. Meanwhile, capital gains on the sale of precious metal mining companies on most listed stock exchanges are taxed at the 15% rate.

Valuing inherited coins in an estate can be tricky because they may be worth many times more than their face value.

Gifts provide a way to bypass inheritance and estate taxes and valuation difficulties. Gifts are non-taxable up to \$13,000 per recipient per year and can be given to any number of people. Recipients don't pay taxes on these gifts. Taxpayers are allowed to make gift transfers of up to \$1,000,000 during their lifetime.

“Gift-splitting” offers you even greater power to transfer wealth. If you're married, you and your spouse can separately give tax-free gifts of up to \$13,000 to the same recipients, for a total annual, non-taxable transfer of \$26,000 per recipient. And you can provide these separate gifts to as many people as you want.

Gifts through the Uniform Transfers to Minors Act or UTMA can provide additional tax benefits, with you or another adult serving as the custodian.

Many people who own collectibles aren't aware of their estate and charitable planning options. You and your heirs can benefit from the value in your collectibles by donating them to a charity. Options include an outright gift during one's lifetime, deferred gifts by bequest and creating a charitable trust or family foundation. You may qualify for an estate or gift tax deduction for planned, charitable bequests or gifts, and you can create a lasting legacy. For people with wealth in collectibles, charitable planning offers donors many creative solutions, depending on their goals, values and stage of life.

So why let your estate be distributed in ways you hadn't expected? **Dillon Gage** works with private-wealth clients, trust officers and legal advisors. “We have over 40 years of experience helping people liquidate their estates, including their rare coin collections,” Hanlon says.

Dillon Gage Metals offers bullion trading, online trading of physical metal, [wholesale jewelry liquidation](#), [refining services](#) and estate liquidations.

For more information on **Dillon Gage Metals**, please visit www.dillongage.com/metals or phone 800-375-4653. Follow **Dillon Gage** on Twitter @DillonGage and on Facebook <http://www.facebook.com/dillongage>.

About **Dillon Gage Metals**

Dillon Gage Inc. (DillonGage.com) was founded in 1976, and its companies include:

- Dillon Gage Metals, one of the largest precious metals dealers in the U.S. (DillonGage.com/Metals) 800.375.4653
- FizTrade Online Trading offers real-time trading for bid and ask markets for gold, silver platinum and palladium. (FizTrade.com) 800.375.4653

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