

WILLIAM G. SCHRAM  
ESTATE CONSERVATION CONSULTANT  
347 MADISON AVENUE  
NEW YORK  
MURRAY HILL 2-1439

August 12th, 1939.

Mr. O. K. Dorn,  
Henry George School of Social Science,  
30 East 29th Street,  
New York, N. Y.

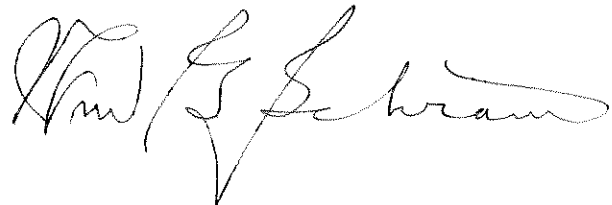
Dear Mr. Dorn:-

Replying to your letter of August 7th, I would say that an annual income of \$250 can be purchased for a female age 70 for the sum of \$2,920. If your prospective donor delivers to you the sum of \$5,000, your organization would have the immediate use of \$2,080 of this sum without taking any responsibility for paying the annuity of \$250 per annum.

The Board of Tax Appeals has just rendered a decision which changes the method of valuation formerly used in connection with annuities guaranteed by institutions. Under these new regulations \$2,080 of the \$5,000 you receive is considered as an outright gift to charity, which your donor may deduct in her income tax return at the end of the year in which the gift is made, if with other gifts to charity the \$2,080 does not exceed 15% of her statutory net income. In addition to this advantage \$162.40 of the \$250 of annual income is exempt from income taxation for a period of seventeen years and only \$87.60 of the income is taxable for the same period of years. Your prospective donor, therefore, would have to live to age 88 before losing the income tax advantage this investment would give to her.

At any time you have an opportunity to interest individuals in this method of giving it will give me pleasure to collaborate with you in consummating the transaction.

Sincerely yours,



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