

## AFFIDAVIT OF GIFT

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I hereby affirm under penalty of perjury, on this \_\_\_\_\_, that:

1. My name is \_\_\_\_\_ (the "Donor"). My date of birth is \_\_\_\_\_. I currently reside at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_. My social security number is \_\_\_\_\_. My telephone number is \_\_\_\_\_.
2. I write this affidavit as evidence of the transfer of a gift to \_\_\_\_\_ (the "Donee"), who currently resides at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.
3. The gift is \_\_\_\_\_.
4. On a one time basis I am transferring securities listed in the attached exhibit as a gift to the donee.

\_\_\_\_\_  
Donor's Signature

\_\_\_\_\_  
Donee's Signature

## NOTARY ACKNOWLEDGEMENT

State of \_\_\_\_\_ )

) (Seal)

County of \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the undersigned, \_\_\_\_\_, who is personally known to me or satisfactorily proven to me to be the person whose name is subscribed to the within instrument.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

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## GENERAL INSTRUCTIONS

### What is an Affidavit of Gift?

An Affidavit of Gift is a formal way of recording something was given to another person as a gift. The affidavit is a sworn legal statement affirming a valuable item was voluntarily transferred from one person to another as a present. For example, the gift given could be a car, boat, land, house, or money.

Typically, an affidavit of gift is required when the gift has significant value or requires a title or deed transfer to complete the change in ownership. The purpose of an affidavit of gift is to clearly state the intention of the gift giver, to document that this process was not a loan or sale, and declare that no other value was exchanged for the item. Depending on the item given, the designation of a gift may also be relevant at a state or federal level for taxation, registration and other purposes. Common terms used in an affidavit of gift include gift giver, donor, gift, value, recipient, and notary public.

As a reference, this document may also be referred to as Gift Affidavit or Gift Affidavit Form.

### When Do I Need One?

An affidavit of gift is needed when a donor voluntarily gives a valuable item to someone else. It is most often used when gifting a car or a significant amount of cash to another person, usually a family member. It documents that a donor acted voluntarily when giving the item and was not forced in any way to do so. Affidavit of gift also serve as proof that the gift was not a loan, and therefore the giver cannot demand its return, any payments, or other compensation. Many states require an affidavit of gift when a car is being transferred from one person to another for no payment, or for an amount significantly less than the value of the car. A bank may also require an affidavit of gift to document how a buyer is financing the down payment of a home. An affidavit of gift may also be used in a divorce to prove what is, and is not, jointly owned property.

## The Consequences of Not Having One

The consequences of not having an affidavit of gift will depend on the type of gift given. For example, the person receiving a car as a gift will be required to pay taxes on it as if it were purchased unless there is a valid affidavit of gift.

Gifts of cash or assets of up to \$14,000 per person per year are exempt from federal taxes. Without an affidavit of gift, you may be required to prove that the cash or assets were in fact a gift, or you will pay taxes on these items. Additionally, the gift could be potentially classified as a loan or sale.

## The Most Common Situations of Using One

The two most common situations for using an affidavit of gift are:

- When transferring the title of a car to a family member as a gift, or
- Giving a member of the family money to use for the down payment of a home.

In both situations, if it is proven the assets were given as a loan instead of a gift, and the affidavit of gift was used solely to avoid taxes, both the donor and recipient could be charged with fraud and may face prosecution.

## What Should the Affidavit Include?

An affidavit of gift is a simple and straightforward document. At a minimum, it should include:

- Donor address
- Donor information
- Statement of gift
- Recipient information
- Gift description
- Notary details