we assume that the property producing the income was held by the individual and that the $50,000 also represented the basis on which the individual's 20 percent deduction was figured, his taxable income could be reduced by a charitable donation to his foundation to $40,000. This would reduce his taxes to a maximum of $17,690 or a savings of $6,000.

On the other hand, if all the property were owned and administered by the foundation, there would be no taxes on the income to the foundation. All the property, however, would be dedicated to benefiting mankind in one of the tax-exempt purposes for which the foundation was formed.

If the $50,000 of income were produced by a corporation owned or controlled by an individual, then five percent could be deducted from the corporation's income and donated directly to the foundation. The remaining $47,500 might then be paid to the individual as a salary and he would then donate 20 percent of this amount, or $9,000 to the foundation. His taxable income would be $38,000, and the foundation would enjoy $12,000 of tax-free income. The individual would have to pay a maximum of $14,600 in income tax. This would be $8,700 less than