

2009 IRS Summertime Tax Tip 2009-21, 2009ARD 165-2 , (Aug. 27, 2009)

<http://prod.resource.cch.com/resource/scion/document/default/%28%40%40ADC01+2009ARD165-2%2909013e2c8594caf4>

2009ARD 165-2

Internal Revenue Service: 2009 summer tax tips: Deductions: Charitable contributions

Ten Tips for Taxpayers Making Charitable Donations

IRS Summertime Tax Tip 2009-21

Every year, millions of taxpayers itemize their deductions on their federal tax return. One of the most common itemized deductions is a donation made to a charitable organization.

Here are the top ten things the IRS wants every taxpayer to know before deducting charitable donations.

1. Charitable contributions must be made to qualified organizations to be deductible. You can ask any organization whether it is a qualified organization and most will be able to tell you. You can also check IRS Publication 78, which lists most qualified organizations. IRS Publication 78 is available at IRS.gov.
2. Charitable contributions are deductible only if you itemize deductions using Form 1040, Schedule A.
3. You generally can deduct your cash contributions and the fair market value of most property you donate to a qualified organization. Special rules apply to several types of donated property, including clothing or household items, cars and boats.
4. If your contribution entitles you to receive merchandise, goods, or services in return - such as admission to a charity banquet or sporting event - you can deduct only the amount that exceeds the fair market value of the benefit received.
5. Be sure to keep good records of any contribution you make, regardless of the amount. For any contribution made in cash, you must maintain a record of the contribution such as a bank record - including a cancelled check or a bank or credit card statement - a written record from the charity containing the date and amount of the contribution and the donor's name, or a payroll deduction record.
6. Only contributions actually made during the tax year are deductible. For example, if you pledged \$500 in September but paid the charity only \$200 by Dec. 31, your deduction would be \$200.
7. Include credit card charges and payments by check in the year they are given to the charity, even though you may not pay the credit card bill or have your bank account debited until the next year.
8. For any contribution of \$250 or more, you must have written acknowledgment from the organization to substantiate your donation. This written proof must include the amount of cash and a description of any property you contributed, and whether the organization provided any goods or services in exchange for the gift.
9. To deduct charitable contributions of items valued at \$500 or more you must complete a Form 8283, Noncash Charitable Contributions, and attached the form to your return.
10. An appraisal generally must be obtained if you claim a deduction for a contribution of noncash property worth more than \$5,000. In that case, you must also fill out Section B of Form 8283 and attach the form to your return.

For more information see IRS Publication 526, Charitable Contributions, and for information on determining value, refer to Publication 561, Determining the Value of Donated Property. These publications are available on the IRS Web site, IRS.gov or by calling 800-TAX-FORM (800-829-3676).