



Robert W. Wood

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Jimmy Kimmel's Emmys And Homeland Soar But Not As Much As Gifts

Some say Jimmy Kimmel was the biggest winner of the Emmys, though Homeland didn't break badly either. Award show hype is understandable—careers and money hang in the balance. The fans matter, but advertising is big time. Freebies that stars *might* like have reached epic proportions. You don't have to run a luxury goods company to jump aboard this bandwagon—consider snacks for Hollywood's gluten-free folk and *anything* Green.

Gift bags? You bet. HP is losing money hand over fist and scrutinized for offshore tax fiddles. See [Senate Report Details HP & Microsoft Offshore Tax Ploys](#). Yet HP is giving notebook computers and donations in celeb names to the academy's nonprofit foundation. See [Stars Rake in the Swag as Emmy Gift Suites Abound](#). But taxing the fair market value of the gift bag and its contents?

You bet. It's all taxable income and must be reported. A big player is [GBK Productions](#) which runs [Gift Lounge in honor of the 2012 Emmy Awards](#). Is it counterintuitive to give A-listers stuff they could easily buy?



Maybe, but businesses dream of getting celebrities to endorse products or just be seen wearing or using them. The bigger the star, the more outsized and expensive the gifts.

Sneakers made from recycled plastic water bottles, designer sunglasses, Centrum vitamins, Nautica watches, \$700 hair dryers, L'Oreal manicures, makeovers, hairdos, shaves, Brahmin leather handbags, indestructible steel "True Blood" V-MODA headphones. High-end baby strollers? UppaBaby's \$680 Vista stroller has shock absorbers and an organic bassinet with a pull-out sun shade.

As tempting as the loot is, it's all taxable income and reported to celebs on Form 1099 so the IRS gets its cut. See [Watch Your Mail For 1099s](#). For years the entertainment industry and the IRS locked horns over taxes. See [Why Ricky Gervais Sicked IRS on Golden Globes](#). But now you have taxable income equal to its fair market value.

Can't celebs argue these are "gifts?" Why are they income? They're ***not*** "***gifts***" for tax purposes. The organizations and merchants don't give them out of affection or respect!

What if celebs make selections in a free shopping room for participating in the Emmys? The value of the selections is income too.

What about gift certificates or vouchers for trips or personal services? If they redeem the certificates or vouchers they must include its fair market value on their tax return.

Can celebs take a charitable contribution deduction for "regifting" a gift bag? Sure, if they donate it to a qualified charity. But the fair market value of the gifts must still be reported on their tax return. See [Giving To Charity? Great. Staying Off IRS Radar? Priceless](#).

IRS Forms 1099s for gift bags? Yes, they trigger a [Form 1099-MISC](#). See [Ten Things You Should Know About 1099s](#).

*Robert W. Wood practices law with [Wood LLP](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009 with 2012 Supplement, [Tax Institute](#)), he can be reached at Wood@WoodLLP.com.*