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Biggest Winner At Oscars? IRS

Do you watch every moment of the Oscars and the red carpet hoopla? Or do you just read who won after? Either way, who's the **biggest** winner of them all? The IRS.

Taking home an Academy Award means a recipient will make **a lot** more money. The money is taxed but not the Oscar **itself**, even though the gilded statuette may be "priceless." But free goods you receive for being nominated or attending?

That's another story, and you will probably receive an IRS 1099 Form reporting the value of what you got! See [Watch Your Mail For 1099s](#).

Oscar freebies—swag—changes yearly. All sorts of products benefit from celebs giving them a try.

The expensive goodies can add up. Top celebs getting the best gift bags net six figures worth of free gear. A-listers usually get the most expensive goods—nominees who don't collect a statue for their mantle don't go home empty-handed.

Curious? Take a look inside the Oscar [swag bag](#). [Distinctive Assets'](#) annual Everyone Wins at the Oscars Nominee Gift Bag was designed to



Image via conservapedia.com

soften the blow of not winning. For years the entertainment industry and the IRS locked horns over taxes. See [Why Ricky Gervais Sicked IRS on Golden Globes](#).

But now IRS guidelines are clear. If you get a gift bag, you generally have taxable income equal to its fair market value.

Q: Can't you argue this was a "gift" and you aren't being paid?

A: Nope, you lose. You must report it on your tax return.

Q: What about gift certificates or vouchers for trips or personal services?

A: If you redeem the certificates or vouchers you must include the fair market value of the trip or service on your tax return.

Q: If these are gifts, why are they income?

A: They're ***not gifts*** for tax purposes. The organizations and merchants don't give them solely out of affection or respect.

Q: Can you take a charitable contribution deduction if you "regift" a gift bag?

A: Yes, if you donate the gift bag to a qualified charity. But the fair market value of the gifts must still be reported on your tax return. See [Giving To Charity? Great. Staying Off IRS Radar? Priceless](#).

Q: Are there third-party reporting requirements for gift bags?

A: Yes. Organizations and vendors distributing gift bags may have to issue [Form 1099-MISC](#), Miscellaneous Income. See [Ten Things You Should Know About 1099s](#).

Q: What if you make selections in a free shopping room for participating in the show?

A: The value of your selections are income and you must report them.

For more, see:

[IR-2006-128, IRS Begins Outreach to Entertainment Industry on Gift Bags following Academy Agreement](#)

[Academy of Arts and Sciences News Release](#)

[IRS: Gift Bag Questions and Answers](#)

[IRS Statement on Oscar Goodie Bags](#)

[Nobel Prize Brings Tax Bill \(Oh, And Accolades\)](#)

[Regifting: Obama, The Nobel Prize And The IRS](#)

[IRS Is Taxing My Nobel Prize!](#)

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