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### Year-End Charitable Contribution Guide



Although we should give to charity year-round, most people consider it only as the tax year is waning. It's the season, plus it's your last chance to make a donation and write it off on your taxes. That encourages philanthropy.

The IRS issued its own reminder here: [IRS Offers Tips for Year-End Giving](#). You can even watch a video on charitable contributions: [English](#) | [Spanish](#).

**Last Chance Special for IRAs.** Until the end of 2011, IRA owners age 70½ or over can directly transfer tax-free up to \$100,000 per year to an eligible charity, regardless of whether the IRA owner itemizes deductions. Amounts transferred to a charity from an IRA are counted in determining whether the owner has met the IRA's required minimum distribution. Not all charities are eligible. See [Publication 590](#) for more information on [qualified charitable distributions](#).

**Cash Donations.** You must have a bank record or a written communication from the charity showing its name and the date and amount of your contribution. See [Need A Tax Receipt?](#) Bank records include canceled checks, bank statements, and credit card statements. Bank statements should show the charity's name, the date, and the amount paid. Credit card statements should show the charity's name, the date, and the transaction posting date.

Donations in cash, by check, electronic transfer, credit card and payroll deduction can all qualify. For payroll deductions, retain a pay stub, a [Form W-2](#) wage statement or other document furnished by the employer showing the total amount withheld for charity, along with the pledge card showing the name of the charity. Still, you need an acknowledgment from a charity for each deductible donation (either money or property) of \$250 or more.

**Clothing and Household Items.** Clothing and household items like furniture, furnishings, electronics, appliances and linens must be in good used condition or better.

**Timing.** Contributions are deductible in the year made. Donations charged to a credit card before the end of 2011 count for 2011, even if the credit card bill isn't paid until 2012. Checks count for 2011 if mailed in 2011.

**Qualified Charities.** Only donations to qualified organizations are deductible. See [Is Occupy Wall Street Tax Deductible?](#) IRS [Publication 78](#), lists most [organizations](#). Churches, synagogues, temples, mosques and government agencies are eligible to receive deductible donations, even if they are not listed in Publication 78.

**Itemizing?** For individuals, only taxpayers who itemize their deductions on Form 1040 [Schedule A](#) can claim deductions for charitable contributions.

**Property.** If your deduction for noncash contributions is over \$500, submit a [Form 8283](#) with your return. For all donations of property, get a receipt including the name of the charity, date of the contribution, and a description of the donated property. Additional rules apply for a contribution of \$250 or more.

**Cars.** The deduction for a motor vehicle, boat or airplane donated to charity is usually limited to the gross proceeds from its sale if the claimed value is more than \$500. [Form 1098-C](#), or a similar statement, must be provided to you by the organization and attached to your tax return.

Keep good records and receipts.

For more, see:

[Getting Taxed Despite Giving To Charity](#)

[Giving To Charity? Great. Staying Off IRS Radar? Priceless](#)

[Is Occupy Wall Street Tax Deductible?](#)

[Tax Information for Charities & Other Non-Profits](#)

[IRS Publication 526 Charitable Contributions](#)

[Online mini-course, Can I Deduct My Charitable Contributions?](#)

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