MAINE MARITIME MUSEUM
GIFT ACCEPTANCE POLICIES

Maine Maritime Museum, a not-for-profit organization organized under the laws of the State of Maine and the United States, encourages the solicitation and acceptance of gifts to Maine Maritime Museum (hereinafter referred to as the museum) that help further and fulfill its mission:

The mission of Maine Maritime Museum is to connect people to the past, present, and future of Maine’s waterways and their global reach. Our vision is to be a leading cultural institution and community pillar. As active stewards and educators of history and culture, of our historic site, and of our collections, we strive to inspire an ever-growing audience to experience the local, regional, and global stories of Maine.

I. Purpose of Policies

The Board of Trustees of Maine Maritime Museum and its staff solicit current and deferred gifts from individuals, corporations, and foundations to secure the future growth and mission of the museum. These policies and guidelines govern the acceptance of gifts and provide guidance to prospective donors and their advisors. The provisions of these policies shall apply to all gifts received by the museum for any of its programs and services, except for objects received into the Collections, the acceptance of which is addressed in Maine Maritime Museum’s Collections Policy.

Maine Maritime Museum reserves the right to decline any gift which we consider inappropriate, burdensome, financially adverse, or contrary to the mission, articles, bylaws, or charitable purposes of the museum. Additionally, gifts that are inconsistent with or which do not comply with local, state, and federal laws and regulations – including without limitation tax laws, or with applicable legal or equitable principles, or that involve an unacceptable risk of liability – will not be accepted.

II. Use of Legal Counsel

The museum shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:
1) Closely held stock transfers that are subject to restrictions or buy-sell agreements.

2) Documents naming the museum as Trustee.

3) Gifts involving contracts, such as bargain sales or other documents requiring the museum to assume an obligation.

4) Transactions with potential conflict of interest that may invoke IRS sanctions.

5) Other instances in which use of counsel is deemed appropriate by the staff.

III. Conflict of Interest

The museum will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning consequences. The museum will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving, shown as an appendix to this document.

IV. Confidentiality

Donors may be recognized by name and amount (or range of amount) of the donor’s gift, unless the donor requests to remain anonymous. Any other personal donor information will be held in confidence, subject only to any disclosure requirements to which the museum may be subject.

Donors are encouraged to notify the Chief Advancement Officer of their current or deferred gifts, including bequests, so that the museum may bestow proper recognition upon the donor and account for the gifts appropriately in accordance with generally accepted accounting principles (GAAP). Information learned by any representative of the museum about the donor and/or the donor’s assets will be held in strict confidence.

V. Restrictions on Gifts

The museum will accept unrestricted gifts and gifts for specific programs and purposes provided that such gifts are consistent with the museum’s mission, purposes, and priorities. The museum will not accept gifts that are too restrictive in purpose, violate the articles of incorporation, are too burdensome to administer, or are for purposes outside the mission. All final decisions to accept
or refuse a gift based on its restrictive nature shall be made by the Executive Committee of the Board of Trustees, or the Board itself. The museum’s preference is to receive gifts for unrestricted purposes.

VI. The Gift Acceptance Duties

The museum’s philanthropy leadership, made up of the Chief Advancement Officer and the Executive Director, is charged with the responsibility of reviewing all gifts made to the museum, screening and recommending acceptance of those gifts, and making recommendations to the trustees of gift acceptance issues when appropriate. The Board of Trustees has ultimate authority for the acceptance of all gifts.

The Chief Advancement Officer and the Executive Director are the individuals authorized to act on behalf of the organization to negotiate terms of gift plans with prospective donors in accordance with these policies, and to execute documents and agreements accordingly.

VII. Types of Acceptable Gifts:

- Cash, Including That from Donor Advised Funds
- Tangible Personal Property, Including Vessels
- Securities
- Real Estate
- Remainder Interests in Property
- Bargain Sales
- Life Insurance
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Charitable Gift Annuities
- Retirement Plan Beneficiary Distributions and Designations
- Bequests (aka Planned or Legacy Gifts)
- Cryptocurrency

**Cash:** Cash in any form is acceptable. Checks, including those from IRAs, shall be made payable to Maine Maritime Museum and delivered to the museum at 243 Washington Street, Bath, Maine 04530. Electronic funds transfers are also accepted; please contact the Chief Advancement Officer for more details.

In accordance with the policies of charitable gift foundations which permit gifts from donor advised funds and in accordance with the best practice interpretation
of the IRS guidelines (IRC 170) in these matters, gifts made from donor advised funds or charitable gift foundations will be accepted as outright gifts with the following restriction: such gifts cannot be treated as payments on existing or new legally enforceable pledges to the museum. Because donors receive a tax deduction when they make the donation to the donor advised fund originally, the museum will issue a gift acknowledgement rather than a tax receipt.

**Tangible Personal Property:** For all gifts of tangible personal property, the Collections Policy will be applied in the first instance; if the item is deemed not appropriate for the Collections, this provision of the Gift Acceptance Policies shall apply. The following criteria will be considered in deciding whether to accept the gift:

- Does the property help fulfill the mission of the museum?
- Is the property marketable?
- Are there any restrictions on its use, display, or sale?
- Are there any carrying costs for the property?

**Vessels:** After consideration for the Collections or any other purpose, the museum will consider vessels offered to the museum as candidates for the Boat Donation Program in partnership with the Maritime Funding Association of Maine. Unless otherwise directed by the donor, proceeds will be unrestricted.

**Securities:** The museum can accept both publicly traded securities and closely held securities.

When receiving gifts of securities, the date of delivery is defined as follows:

- The postmarked date on the packet containing the securities if mailed;
- The date the securities are received by the museum’s brokerage account; or
- The date the securities are personally delivered to a museum representative.

**Publicly traded securities:** Publicly traded securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor’s signature or stock power attached. As a general rule, all publicly traded securities will be sold upon receipt unless otherwise directed by the Finance Committee. In some cases, publicly traded securities may be restricted by applicable securities laws; in such instance, the final determination on the acceptance of the restricted securities shall be made by the Executive Committee or Board of Trustees.
**Closely Held Securities:** Closely held securities, which include not only debt and equity positions in non-publicly traded companies but also interests in limited partnerships (LLPs) and limited liability companies (LLCs), or other ownership forms, can be accepted subject to the approval of the Executive Committee or Board of Trustees. However, gifts must be reviewed prior to acceptance to determine:

- There are no restrictions on the security that would prevent the museum from ultimately converting those assets to cash
- The security will not generate any undesirable tax consequences for the museum.

If potential problems arise upon initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Executive Committee or Board of Trustees with advice of legal counsel shall make the final determination on the acceptance of closely held securities when necessary. Every effort will be made to sell closely held securities as quickly as possible. Prior to acceptance, the museum shall explore methods of liquidation for the securities through redemption or sale. A representative of the museum shall contact the closely held corporation to determine an estimate of fair market value and any restrictions on transfer. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

**Real Estate:** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the museum shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial investigation reveals a potential problem, the museum shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, a title binder shall be obtained by the museum prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

The gift shall be approved for acceptance by the Executive Committee or Board of Trustees with review by legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the purposes of the museum?
- Is the property marketable?
• Are there any restrictions, reservations, easements, zoning issues, or other limitations associated with the property?
• What are the carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
• Does the environmental audit reflect that the property is not damaged?

Prior to the acceptance of any gift of real estate, the donor must provide the following documents:
• Real estate deed;
• Real estate tax bill;
• Plot plan;
• Substantiation of zoning status.

To ensure due diligence before any property is accepted, the museum will complete a site review to include:
• Building Inspection Report, if there are buildings that will be used by the Museum;
• Property Management Budget, which stipulates the cost to maintain the property during the time it takes to sell the property;
• Title Report;
• Environmental Reports, to comply with Department of Environmental Protection Guidelines regarding hazardous waste, wetlands and waste water issues;
• Fair Market Value Appraisal.

Depending on the value and desirability of the gift, the donor may be asked to pay for all or a portion of the following for a set period of time or until its sale by the museum:
• Maintenance costs;
• Real estate taxes;
• Insurance;
• Real estate broker’s commission and other costs of the sale.

**Remainder Interests in Property:** The museum will accept a remainder interest in a personal residence, farm, or vacation property subject to the provisions of the “Real Estate” section above. The donor or other occupants may continue to occupy the real property for the duration of the stated life. At the last of either the death of the donor or the primary beneficiary, the museum may use the property or sell it. Where the museum receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.
**Bargain Sales:** The museum will enter into a bargain sale arrangement in instances in which the bargain sale furthers the mission and purposes of the museum. All bargain sales must be reviewed and accepted by the Executive Committee or Board of Trustees. Factors used in determining the appropriateness of the transaction include:

- The museum must obtain an independent appraisal substantiating the value of the property.
- If the museum assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- The museum must determine that it will use the property, or that there is a market for sale of the property, allowing sale within 12 months of receipt.
- The museum must calculate the costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

**Life Insurance:** Donors and supporters of the museum will be encouraged to name the museum as beneficiary or contingent beneficiary of their life insurance policies. Such designations will not be recorded as gifts to the museum until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time that the gift becomes irrevocable.

If the donor contributes future premium payments, the museum will include the entire amount of the additional premium payment as a gift in the year that it is made. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the museum may:

- continue to pay the premiums,
- convert the policy to paid-up insurance; or
- surrender the policy for its cash value.

**Charitable Remainder Trusts:** The museum may accept a designation as remainder beneficiary of a charitable remainder trust (CRT) with the approval of the Executive Committee or Board of Trustees. The museum may accept appointment as Trustee of a charitable remainder trust to which the museum is the only beneficiary, upon Board approval. CRTs require a minimum gift of $100,000.
Charitable Lead Trusts: The museum may accept designation as income beneficiary of a charitable lead trust. The museum will not accept an appointment as Trustee of a charitable lead trust.

Charitable Gift Annuities: The museum may accept a designation as beneficiary of the remainder of a charitable gift annuity (CGA), provided the CGA meets the following parameters:

No gift annuity will be issued for:
- Less than $10,000
- More than $50,000
- The life of an individual less than 70 years
- More than two lives

Additional parameters:
- The museum will partner with an experienced outside firm, such as Bar Harbor Trust Services, to manage the program
- Only rates recommended by the American Council on Gift Annuities will be offered
- Cash and marketable securities are acceptable forms of funding for a charitable gift annuity
- Only immediate CGAs will be offered
- The donor may not make additional contributions to a CGA, but the donor may enter into additional contracts
- The Executive Committee of the Board of Trustees or the Board itself must approve each CGA agreement
- The museum will send all prospective donors a disclosure statement in advance of establishment of an annuity providing information in compliance with the Philanthropy Protection Act of 1995
- The museum will comply with state regulations in Maine, and in any other state where they plan to issue gift annuities
- At any time, the museum reserves the right to refuse CGAs from donors residing outside Maine.

Retirement Plan Beneficiary Distributions and Designations: Donors and supporters of the museum will be encouraged to name the museum as beneficiary of their retirement plans (e.g., 401(3)(b), 501-K, IRA). Such designations will not be recorded as gifts to the museum until such time as the
gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded at the time that the gift becomes irrevocable.

**Bequests:** Donors and supporters of the museum will be encouraged to make bequests to the museum under their wills and trusts. Such bequests will not be recorded as gifts to the museum until such time as the gift is irrevocable.

**Legacy Gift Allocation Policy:** To ensure that legacy gifts are managed thoughtfully and invested in the long-term health of the organization, on June 1, 2023 the Maine Maritime Museum Board of Trustees adopted a Legacy Gift Allocation Policy.

This policy applies to unrestricted gifts with a value of $100,000 or more. $50,000 plus 85% of the excess over $100,000 shall be transferred to the endowment/investment fund. This formula represents the minimum amount to be transferred to the investment fund.

**Cryptocurrency:** Defined as digital or virtual currency that utilizes cryptography to secure transactions, cryptocurrencies will be accepted by the museum only upon approval of the Executive Director. Once accepted, the cryptocurrency shall be liquidated as soon as possible. Because the IRS treats cryptocurrency as property, if the donor wishes to claim a tax deduction for said gift in excess of $5,000, it shall be the responsibility of the donor to secure and cover the cost of an independent appraisal of the original assets. All cryptocurrency donors are required to identify themselves to the museum when making their gift.

**VIII. Types of Gifts Not Accepted:**

**Pooled Income Fund:** The museum does not accept Pooled Income Fund gifts at this time.

IX. **Named Gift Recognition:**

The museum may name spaces, positions, programs and physical objects in honor of donors. Naming rights for all purposes are subject to authorization under Section VI above, with the ultimate authority for same residing with the Board of Trustees.
Naming recognition will be implemented upon the signing of a memorandum of understanding or letter of agreement by the organization and the donor and according to the terms stated within the document. Except for under extraordinary circumstances, a pledge will be fully paid prior to implementation of the naming opportunity. Due diligence will be completed by the Chief Advancement Officer before the naming opportunity is secured to ensure no known conflicts of interest and/or potential damage to the reputation or public trust in the museum.

The duration of a naming opportunity for a position, a building, or a portion thereof is as stated in the donor’s signed memorandum of understanding. The duration of a naming opportunity for a more transient object such as a piece of furniture or computer kiosk is deemed to be the useful life of the said object, unless expressly stated otherwise in the signed memorandum of understanding.

If the object of the original gift for which a naming opportunity was created becomes no longer relevant to the museum’s mission or if circumstances and practicality require, the museum will contact the donor or his/her heirs to discuss a mutually agreed-upon redirection of the gift in keeping with the original gift’s purpose, and consistent with current museum priorities, if possible. If neither the donor nor heirs are available, or if a mutually agreed-upon redirection is not established, the Board of Trustees will direct the use of the gift in a way as consistent as possible with the gift’s original memorandum of understanding.

If a corporate donor that is recognized in a naming opportunity ceases to operate, the museum may remove all related signage and naming opportunity references that resulted from the original gift. If a corporate donor is acquired, merges, or changes its corporate name, the corporate donor shall contact the museum to discuss what changes may be made to existing signage and other manifestations of the naming opportunity. The museum’s Board of Trustees retains the right to make all final decisions concerning the extension of naming opportunities to corporate donor successor organizations.

If a donor requests a change to the naming opportunity (e.g., due to marriage or divorce), the museum will consider the request. If approved by the Chief Advancement Officer and Executive Director, all replacement signage and other related costs shall be at the donor’s expense.

The museum reserves the right to discontinue the use of a naming opportunity if the reputation of the donor is diminished or compromised due to poor judgment,
alleged or actual unethical or inappropriate behavior, impropriety or legal matters, harms the public trust and/or reputation of the museum, or the donor does not fulfill their pledge or other contingencies outlined in the memorandum of understanding.

X. Miscellaneous Provisions:

Securing Appraisals and Legal Fees for Gifts. It will be the responsibility of the donor to secure an appraisal (where required) and his or her own legal counsel for all gifts made to the museum. Under current IRS regulations, donors are required to complete Section B of Form 8283 for gifts of property with values of $5,000 or more; the museum will complete the Donee Acknowledgment as required on the form’s Part IV.

Valuation of Gifts for Development Purposes. The museum will record a gift at its valuation for gift purposes on the date of its irrevocable transfer. The Advancement Office records gifts at the donor’s value; the Finance Office records gifts in accordance with generally accepted accounting principles (GAAP) and current accounting guidelines. In the instance where the two methods record different values, the offices will reconcile values and that information will be available to donors upon request.

Responsibility for IRS Filings Upon Sale of Gift Items. The Chief Advancement Officer of the museum is responsible for filing IRS Form 8282 upon the sale or disposition of any asset sold within two years of receipt by the museum when the charitable deduction value of the item is more than $5,000. The museum must file this form within 125 days of the date of sale or disposition of the asset. Form 8282 with Filing Instructions is attached as an appendix to these policies. The Chief Advancement Officer will assure at the time of filing that IRS regulations remain consistent with this paragraph; if tax law has changed, the Chief Advancement Officer will comply with the current law.

Acknowledgment of all gifts made to the museum and compliance with the current IRS requirements in acknowledgment of such gifts shall be the responsibility of the board of trustees. IRS Publication 561: Determining the Value of Donated Property and IRS Publication 526: Charitable Contributions are attached to these policies.

Cy Pres Clause. The museum will strongly encourage the inclusion of a cy pres clause in all restricted gifts to permit the museum to alter the use of the gift in accordance with its charitable purposes if sometime in the future the original
purpose of the gift becomes difficult, impracticable, or impossible to carry out. A *cy pres* clause is language providing that if, at some future time, the purpose for which the gift was given no longer exists, or is no longer necessary, legal, possible, or in the best interest of the museum, then the donor agrees that, at the direction of the Chief Advancement Officer and Executive Director, the gift or distributions therefrom may be used for a substantially similar purpose, or for such other purposes as will further the business objectives, mission, and charitable purposes.

**Restricted Gifts.** Gifts may not be accepted which are restricted for the benefit of a specific, identified individual.

In the event that the museum accepts a gift with restrictions, the restriction must be in writing and be enforceable; additional restrictions may not be added after the gift is conveyed.

**Permanently Restricted Gift Funds.** Also known as endowments of which the principal is not to be spent, permanently restricted gifts will be allowed for the creation of **new funds** only if the individual or combined gifts at the time of fund establishment total:

For funds in which the use of income is unrestricted: $100,000 or more
For funds in which the use of income is restricted: $250,000 or more

If the donor is interested in reaching said minimum over time, an enforceable pledge agreement must be completed before the new fund can be established.

Gifts of any amount will be accepted for existing permanently restricted funds.

**XI. Changes to Gift Acceptance Policies**

These policies and guidelines have been reviewed and accepted by the Advancement Committee. The Executive Committee of the Board or the Board of Trustees itself must approve any changes to, or deviations from, these policies.
Appendices

A. *Model Standards of Practice for the Charitable Gift Planner* by the National Committee on Planned Giving

B. IRS Publication 561: *Determining the Value of Donated Property*

C. IRS Publication 562: *Charitable Contributions*

D. *A Donor Bill of Rights* by the Association of Fundraising Professionals, Association for Healthcare Philanthropy, Council for Advancement and Support of Education, and the Giving Institute

E. IRS Form 8282: *Donee Information Return*
MODEL STANDARDS OF PRACTICE FOR THE CHARITABLE GIFT PLANNER

A code of ethical practice for all professionals who work together to structure gifts that balance the interests of the donor and the purposes of the charitable institution.

PREAMBLE
The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as “Gift Planners”), and by the institutions that these persons represent. This statement recognizes that the solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and as such often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. PRIMACY OF PHILANTHROPIC MOTIVATION
The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. EXPLANATION OF TAX IMPLICATIONS
Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.
III. FULL DISCLOSURE

It is essential to the gift planning process that the role and relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to act as a representative of the donor, without the express consent of both the charity and the donor.

IV. COMPENSATION

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finders fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift are never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. COMPETENCE AND PROFESSIONALISM

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact and mutual respect.

VI. CONSULTATION WITH INDEPENDENT ADVISORS

A Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisors of the donor’s choice.

Model Standards of Practice for the Charitable Gift Planner
VII. CONSULTATION WITH CHARITIES

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planners, in order to insure that the gift will accomplish the donor’s objectives, should encourage the donor, early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planners shall endeavor, on behalf of the undisclosed donor, to obtain the charity’s input in the gift planning process.

VIII. DESCRIPTION AND REPRESENTATION OF GIFT

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor’s family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. FULL COMPLIANCE

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. PUBLIC TRUST

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.
Determining the Value of Donated Property

What’s New

New actuarial tables. New actuarial tables used to determine the present value of a charitable interest donated to a charitable organization have been published. These new actuarial tables were effective June 1, 2023. However, for a period prior to June 1, 2023, there is a transitional rule allowing filers to elect to use either the former or the new actuarial tables. The transitional rule applies for donations with valuation dates from May 1, 2019, through June 1, 2023. See Actuarial tables, later.

Future Developments

For the latest information about developments related to Pub. 561, such as legislation enacted after it was published, go to IRS.gov/Pub561.

Introduction

This publication is designed to help donors and appraisers determine the value of property (other than cash) that is given to qualified organizations. It also explains what kind of information you must have to support the charitable contribution deduction you claim on your return. This publication does not discuss how to figure the amount of your deduction for charitable contributions or written records and substantiation required. See Pub. 526, Charitable Contributions, for this information.

Comments and suggestions. We welcome your comments about this publication and suggestions for future editions. You can send us comments through IRS.gov/FormComments. Or, you can write to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224.

Although we can’t respond individually to each comment received, we do appreciate your feedback and will consider your comments and suggestions as we revise our tax forms, instructions, and publications. Don’t send tax forms or payments through this address.

Get forms and other information faster and easier at:
- IRS.gov (English)
- IRS.gov/Spanish (Español)
- IRS.gov/Korean (한국어)
- IRS.gov/Chinese (中文)
- IRS.gov/Russian (Русский)
- IRS.gov/Vietnamese (Tiếng Việt)
questions, tax returns, or payments to the above address.

**Getting answers to your tax questions.**
If you have a tax question not answered by this publication or the How To Get Tax Help section at the end of this publication, go to the IRS Interactive Tax Assistant page at IRS.gov/Help/ITA where you can find topics by using the search feature or viewing the categories listed.

**Getting tax forms, instructions, and publications.** Go to IRS.gov/Forms to download current and prior-year forms, instructions, and publications.

Ordering tax forms, instructions, and publications. Go to IRS.gov/OrderForms to order current forms, instructions, and publications; call 800-829-3676 to order prior-year forms and instructions. The IRS will process your order for forms and publications as soon as possible. Don’t resubmit requests you’ve already sent us. You can get forms and publications faster online.

**Useful Items**
You may want to see:

- **Publication**
  - [526 Charitable Contributions](#)

- **Forms (and Instructions)**
  - [8282 Donee Information Return](#)
  - [8283 Noncash Charitable Contributions](#)
  - [8283-V Payment Voucher for Filing Fee](#)

See How To Get Tax Help near the end of this publication for information about getting these publications and forms.

**What Is Fair Market Value (FMV)?**

To figure how much you may deduct for property that you contribute, you must first determine its FMV on the date of the contribution. This publication focuses the valuation of noncash property being contributed after January 1, 2019, to a charity that qualifies under section 170(c) for an income tax charitable contribution deduction.

**FMV.** FMV is the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts. In addition to this general rule, there are special rules used to value certain types of property such as remainder interests, annuities, interests for life or for a term of years, and reversions, discussed below.

**Example 1.** If you give an item of used clothing that is in good used condition or better to the Salvation Army, the FMV would be the price that typical buyers actually pay for clothing of this age, condition, style, and use. Usually, such items are worth far less than what you paid for them.

**Example 2.** If you donate land and restrict its use to agricultural purposes, you must value the land at its value for agricultural purposes, even if it would have a higher FMV if it were not restricted.

**Factors.** In making and supporting the valuation of property, all factors affecting value are relevant and must be considered. These include, but are not limited to:
- The cost or selling price of the item,
- Sales of comparable properties,
- Replacement cost, and
- Opinions of professional appraisers.

These factors are discussed later. Also, see Table 1 for a summary of questions to ask as you consider each factor.

**Date of contribution.** Ordinarily, the date of a contribution is the date on which the property is delivered to the charity or the title transfer date, provided you do not retain any right to or interest in the property that would limit the charity’s use of the property.

**Stock.** If you deliver, without any conditions, a properly endorsed stock certificate to a qualified organization or to an agent of the organization, the date of the contribution is the date of delivery. If the certificate is mailed and received through the regular mail, it is the date of mailing. If you deliver the certificate to a bank or broker acting as your agent or to the issuing corporation or its agent, for transfer into the name of the organization, the date of the contribution is the date the stock is transferred on the books of the corporation.

**Options.** If you grant an option to a qualified organization to buy real property, you have not made a charitable contribution until the organization exercises the option. The amount of the contribution is the FMV of the property on the date the option is exercised minus the exercise price.

**Example.** You grant an option to a local university, which is a qualified organization, to buy real property. Under the option, the university could buy the property at any time during a 2-year period for $40,000. The FMV of the property on the date the option is granted is $50,000.

In the following tax year, the university exercises the option. The FMV of the property on the date the option is exercised is $55,000. Therefore, you have made a charitable contribution of $15,000 ($55,000, the FMV, minus $40,000, the exercise price) in the tax year the option is exercised.

**Determining FMV**

Determining the value of donated property depends upon many factors. You should consider all the facts and circumstances connected with the property, including any recent transactions, in determining value. Value may also be based on desirability, use, condition, scarcity, and market demand for that property. Depending on the type of property, there may be other characteristics that are relevant in determining its value.

**Cost or Selling Price of the Donated Property**

The cost of the property to you or the actual selling price received by the qualified organization may be the best indication of its FMV. However, because conditions in the market change, the cost or selling price of property may have less weight if the property was not bought or sold at a time that is reasonably close to the date of contribution.

The cost or selling price is a good indication of the property’s value if:
- The purchase or sale took place close to the valuation date in an open market,
- The purchase or sale was at “arm’s-length,”
- The buyer and seller knew all relevant facts,
- The buyer and seller did not have to act, and
- The market did not change between the date of purchase or sale and the valuation date.

**Example.** Bailey Morgan, who is not a dealer in gems, bought an assortment of gems for $5,000 from a promoter. The promoter claimed that the price was “wholesale” even though this dealer and other dealers made similar sales at similar prices to other persons who were not dealers. The promoter said that if Bailey kept the gems for more than 1 year and then gave them to charity, Bailey could claim a charitable deduction of $15,000, which, according to the promoter, would be the value of the gems at the time of contribution. Bailey gave the gems to a qualified charity 13 months after buying them.

The selling price for these gems had not changed from the date of purchase to the date Bailey donated them to charity. The best evidence of FMV depends on actual transactions and not on some artificial estimate. The $5,000 paid by Bailey and others is, therefore, the best evidence of the maximum FMV of the gems.

**Terms of the purchase or sale.** The terms of the purchase or sale should be considered in determining FMV if they influenced the price. These terms include any restrictions, understandings, or covenants limiting the use or disposition of the property.

**Rate of increase or decrease in value.** Unless you can show that there were unusual circumstances, it is assumed that the increase or decrease in the value of your donated property from your cost has been at a reasonable rate. For time adjustments, an appraiser may consider published price indexes for information on general price trends, building costs, commodity costs, securities, and works of art sold at auction in arm’s-length sales.

**Example.** Corey Brown bought a painting for $10,000. Thirteen months later, Corey gave it to an art museum, claiming a charitable deduction of $15,000 on their tax return. The appraisal of the painting should include information showing that there were unusual circumstances that justify a 50% increase in value for the 13 months Corey held the property.
Table 1. Factors That Affect FMV

<table>
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<th>IF the factor you are considering is...</th>
<th>THEN you should ask these questions...</th>
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<td>cost or selling price</td>
<td>Was the purchase or sale of the property reasonably close to the date of contribution?</td>
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<td>Was any increase or decrease in value, as compared to your cost, at a reasonable rate?</td>
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<td>Do the terms of purchase or sale limit what can be done with the property?</td>
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<td>Was there an arm’s-length offer to buy the property close to the valuation date?</td>
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<td>sales of comparable properties</td>
<td>How similar is the property sold to the property donated?</td>
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<td>How close is the date of sale to the valuation date?</td>
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<td>replacement cost</td>
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</tr>
<tr>
<td></td>
<td>Is the opinion thorough and supported by facts and experience?</td>
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Arm’s-length offer. An arm’s-length offer to buy the property close to the valuation date may help to prove its value if the person making the offer was willing and able to complete the transaction. To rely on an offer, you should be able to show proof of the offer and the specific amount to be paid. Offers to buy property other than the donated item will help to determine value if the other property is reasonably similar to the donated property.

Sales of Comparable Properties

The sales prices of properties similar to the donated property are often important in determining the FMV. The weight to be given to each sale depends on the following.

- The degree of similarity between the property sold and the donated property.
- The time of the sale—whether it was close to the valuation date.
- The circumstances of the sale—whether it was at arm’s-length with a knowledgeable buyer and seller, with neither having to act.
- The conditions of the market in which the sale was made—whether unusually inflated or deflated.

The comparable sales method of valuing real estate is explained later under Selection of Comparable Sales.

Example 1. Quinn Black, who is not a book dealer, paid a promoter $10,000 for 500 copies of a single edition of a modern translation of a religious book. The promoter had claimed that the price was considerably less than the “retail” price and gave Quinn a statement that the books had a total retail value of $30,000. The promoter advised that if Quinn kept the books for more than 1 year and then gave them to a qualified organization, Quinn could claim a charitable deduction for the “retail” price of $30,000. Thirteen months later, all the books were given to a house of worship from a list provided by the promoter. At the time of the donation, wholesale dealers were selling similar quantities of books to the general public for $10,000.

The FMV of the books is $10,000, the price at which similar quantities of books were being sold to others at the time of the contribution.

Example 2. The facts are the same as in Example 1, except that the promoter gave Quinn Black a second option. The promoter said that if Quinn wanted a charitable deduction within 1 year of the purchase, Quinn could buy the 500 books at the “retail” price of $30,000, paying only $10,000 in cash and giving a promissory note for the remaining $20,000. The principal and interest on the note would not be due for 12 years. According to the promoter, Quinn could then, within 1 year of the purchase, give the books to a qualified organization and claim the full $30,000 retail price as a charitable contribution. Quinn purchased the books under the second option and, 3 months later, gave them to a house of worship, which will use the books for religious purposes.

At the time of the gift, the promoter was selling similar lots of books for either $10,000 or $30,000. The difference between the two prices was solely at the discretion of the buyer. The promoter was a willing seller for $10,000. Therefore, the value of Quinn’s contribution of the books is $10,000, the amount at which similar lots of books could be purchased from the promoter by members of the general public.

Replacement Cost

The cost of buying, building, or manufacturing property similar to the donated item may be considered in determining FMV. However, there must be a reasonable relationship between the replacement cost and the FMV.

The replacement cost is the amount it would cost to replace the donated item on the valuation date. Often, there is no relationship between the replacement cost and the FMV. If the supply of the donated property is more or less than the demand for it, the replacement cost becomes less important.

To determine the replacement cost of the donated property, find the “estimated replacement cost new.” Then subtract from this figure an amount for depreciation due to the physical condition and obsolescence of the donated property. You should be able to show the relationship between the depreciated replacement cost and the FMV, as well as how you arrived at the “estimated replacement cost new.”

Opinions of Professional Appraisers

Generally, the weight given to a professional appraiser’s opinion on matters such as the authenticity of a coin or a work of art, or the most profitable and best use of a piece of real estate, depends on the knowledge and competence of the professional appraiser and the thoroughness with which the opinion is supported by experience and facts. For a professional appraiser’s opinion to deserve much weight, the facts must support the opinion. For additional information, see Appraisal, later.

Problems in Determining FMV

There are a number of problems in determining the FMV of donated property.

Unusual Market Conditions

The sale price of the property itself in an arm’s-length transaction in an open market is often the best evidence of its value. When you rely on sales of comparable property, the sales must have been made in an open market. If those sales were made in a market that was artificially supported or stimulated so as not to be truly representative, the prices at which the sales were made will not indicate the FMV.

For example, liquidation sale prices usually do not indicate the FMV. Also, sales of stock under unusual circumstances, such as sales of small lots, forced sales, and sales in a restricted market, may not represent the FMV.

Selection of Comparable Sales

Using sales of comparable property is an important method for determining the FMV of donated property. However, the amount of weight given to a sale depends on the degree of similarity between the comparable and the donated properties. The degree of similarity must be close enough so that this selling price would have been given consideration by reasonably well-informed buyers or sellers of the property.

Example. You give a rare, old book to your former college. The book is a third edition and is in poor condition because of a missing back cover. You discover that there was a sale for $300 near the valuation date, of a first edition of the book that was in good condition. Although the contents are the same, the books are not at all similar because of the different editions and their physical condition. Little consideration would be given to the selling price of the $300 property by knowledgeable buyers or sellers.
Future Events

You may not consider unexpected events happening after your donation of property in making the valuation. You may consider only the facts known at the time of the gift, and those that could reasonably be expected at the time of the gift.

Example. You give farmland to a qualified charity. The transfer provides that your mother will have the right to all income and full use of the property for her life. Even though your mother dies 1 week after the transfer, the value of the property on the date it is given is its present value, subject to the life interest as estimated from actuarial tables. You may not take a higher deduction because the charity received full use and possession of the land only 1 week after the transfer.

Using Past Events To Predict the Future

A common error is to rely too much on past events that do not fairly reflect the probable future earnings and FMV.

Example. You give all your rights in a successful patent to your favorite charity. Your records show that before the valuation date there were three stages in the patent's history of earnings. First, there was rapid growth in earnings when the invention was introduced. Then, there was a period of high earnings when the invention was being exploited. Finally, there was a decline in earnings when competing inventions were introduced. The entire history of earnings may be relevant in estimating the future earnings. However, the appraiser must not rely too much on the stage of rapid growth in earnings or of high earnings. The market conditions at those times do not represent the condition of the market at the valuation date. What is most significant is the trend of decline in earnings up to the valuation date. For more information about donations of patents, see Patents, later.

Valuation of Various Kinds of Property

This section contains information on determining the FMV of ordinary kinds of donated property. For information on appraisals, see Appraisals, later.

Household Items

The FMV of used household items is usually much lower than the price paid when new. Household items include furniture, furnishings, electronics, appliances, linens, and similar items. Household items do not include paintings, antiques, objects of art, jewelry, gems, and collections like stamp and coin collections. Such used property may have little or no market value because it may be out of style.

You cannot take an income tax charitable contribution deduction for household items unless they are in good used condition or better. The one exception to this is a household item that is not in good used condition or better for which you claim an income tax charitable contribution deduction of more than $500. In this case, you must obtain a qualified appraisal valuing the item and complete a Form 8283. See Deduction over $500 for certain clothing or household items, later.

If the property is valuable because it is old or unique, see Art and Collectibles, later.

Used Clothing

Used clothing and other personal items are usually worth far less than the price you paid for them. Valuation of items of clothing does not lend itself to fixed formulas or methods.

The price that buyers of used items actually pay in used clothing stores, such as consignment or thrift shops, is an indication of the value.

You cannot take an income tax charitable contribution deduction for an item of clothing unless it is in good used condition or better. An item of clothing that is not in good used condition or better for which you claim an income tax charitable contribution deduction of more than $500 requires a qualified appraisal and a completed Form 8283. See Deduction over $500 for certain clothing or household items, later.

Art and Collectibles

Your income tax charitable contribution donation of art and collectibles, for which you claim a deduction of more than $5,000 must be supported by a qualified appraisal and a Form 8283. See Qualified Appraisal, later.

Art valued at $20,000 or more. If you claim a deduction of $20,000 or more for an income tax charitable contribution donation of art, you must attach the qualified appraisal for the art. A photograph of a size and quality fully showing the object, preferably a high-resolution digital image, must be provided if requested.

Art valued at $50,000 or more. If you donate an item of art that has been appraised at $50,000 or more, you can request a Statement of Value for that item from the IRS. You must request the statement before filing the tax return that reports the donation. Your request must include the following:

- A copy of a qualified appraisal of the item. See Qualified Appraisal, later.
- A user fee of $7,500 for one to three items and $400 for each additional item paid through Pay.gov. A payment confirmation will be provided to you through the Pay.gov portal and you should submit the payment confirmation with your Statement of Value request.
- A completed Form 8283, Section B.
- The location of the IRS territory that has examination responsibility for your return.

If your request lacks essential information, you will be notified and given 30 days to provide the missing information.

Send your request to:

Internal Revenue Service/Appeals
Attn: Art Appraisal Services
Request for Statement of Value
1111 Constitution Ave. NW, Room 3615
Washington, DC 20224–0002

Refunds. You can withdrawn your request for a Statement of Value at any time before it is issued. However, the IRS will not refund the user fee if you do.

If the IRS declines to issue a Statement of Value in the interest of efficient tax administration, the IRS will refund the user fee.

Art. Because many kinds of art may be the subject of a charitable donation, it is not possible to discuss all of the possible types in this publication. Most common are paintings, sculptures, watercolors, prints, drawings, ceramics, antiques, decorative arts, textiles, carpets, silver, rare manuscripts, and historical memorabilia.

Authenticity. The professional appraiser should use reasonable due diligence to determine or confirm the authenticity of a donated art work. This due diligence may include verifying whether the art work is included in the relevant catalogue raisonné (a scholarly listing of all known works by a specific artist), has an assigned foundation number when relevant, is included in a comprehensive on-line archive, or whether the art work has an accompanying certificate of authenticity from a recognized authority or expert on the artist.

Physical condition. The physical condition and extent of restoration are both relevant in determining the valuation of art and antiques. These factors should be addressed in the appraisal. An antique in damaged condition lacking the “original brasses,” may be worth much less than a similar piece in excellent condition.

Collectibles. Because many kinds of collectibles may be the subject of a charitable donation, it is not possible to discuss all of the possible types in this publication. Most common are rare books, autographs, sports memorabilia, dolls, manuscripts, stamps, coins, guns, gems, jewelry, music and entertainment memorabilia, comics, toys, and natural history items.

Reference material. Publications available to help you determine the value of many kinds of collections include catalogs, dealers' price lists, and specialized hobby periodicals. When using one of these price guides, you must use the current edition at the date of contribution.

These sources are not always reliable indicators of FMV and should be supported by other evidence.

For example, a dealer may sell an item for much less than is shown on a price list, particularly after the item has remained unsold for a long time. The price an item sold for in an auction may have been the result of a rigged sale or a mere bidding duel. The appraiser must analyze the reference material, and recognize and make adjustments for misleading entries. If you are claiming an income tax charitable contribution deduction for the donation of a collection...
Gems and jewelry. Gems and jewelry are of such a specialized nature that it is almost always necessary to get an appraisal by a specialized jewelry appraiser. The appraisal should describe, among other things, the style of the jewelry, the cut and setting of the gem, and whether it is now in fashion. The stone's coloring, weight, cut, brilliance, and flaws should be reported and analyzed. Sentimental personal value has no effect on FMV. But if the jewelry was owned by a famous person, its value might increase. GIA certificates and color photos should be included in jewelry appraisals.

Stamp collections. Most libraries have catalogs or other books that report the publisher's estimate of values. Generally, two price levels are shown for each stamp: the price postmarked and the price not postmarked. Contact an appraiser for assistance with properly valuing stamp collections.

Coin collections. Many catalogs and other reference materials show the writer's or publisher's opinion of the value of coins on or near the date of printing. Like many other collectors' items, the value of a coin depends on the demand for it, its age, and its rarity. Another important factor is the coin's condition. For example, there is a great difference in the value of a coin that is in mint condition and a similar coin that is only in good condition.

Use caution when consulting price guides for coins as only a trained grader can distinguish the difference between various Mint State grades and circulated grades including extremely fine, very fine, fine, very good, good, fair, or poor. The difference in value between one grade and another could be vast.

Books. The value of books is usually determined by selecting comparable sales and adjusting the prices according to the differences between the comparable sales and the item being evaluated. This can be difficult to do and, except for a collection of little value, should be done by a specialized appraiser.

Modest value of collection. If the collection you are donating is of modest value, not requiring a written appraisal, the following information may help you in determining the FMV.

A book that is very old, or very rare, is not necessarily valuable. There are many books that are very old or rare, but that have little or no market value.

Condition of book. The condition of a book may have a great influence on its value. Collectors are interested in items that are in fine, or at least good, condition. When a book has a missing page, a loose binding, tears, or stains, or is otherwise in poor condition, its value is greatly lowered.

Other factors. Some other factors in the valuation of a book are the kind of binding (leather, cloth, paper), page edges, and illustrations (drawings and photographs). Collectors usually want first editions of books. However, because of changes or additions, other editions are sometimes worth as much as, or more than, the first edition.

Manuscripts, autographs, diaries, and similar items. When these items are handwritten, or at least signed by famous people, they are often in demand and are valuable. However, the noteworthiness of an author is not the only determining factor; the writings of unknown or obscure authors may also be of value if they are of unusual historical or literary importance. Determining the value of such material is difficult. For example, there may be a great difference in value between two diaries that were kept by a famous person—one kept during childhood and the other during a later period in their life. The appraiser determines a value in these cases by applying knowledge and judgment to such factors as comparable sales and market conditions.

Cars, Boats, and Aircraft

If you donate a car, a boat, or an aircraft to a charitable organization, its FMV must be determined.

Certain commercial firms and trade organizations publish monthly or seasonal guides for different regions of the country, containing complete dealer sale prices or dealer average prices for recent model years. Prices are reported for each make, model, and year. These guides also provide estimates for adjusting for unusual equipment, unusual mileage, and physical condition. The prices are not "official," and these publications are not considered an appraisal of any specific donated property. But they do provide clues for making an appraisal and suggest relative prices for comparison with current sales and offerings in your area.

These publications are sometimes available from public libraries or at a bank, credit union, or finance company. You can also find pricing information about used cars on the Internet.

An acceptable measure of the FMV of a donated car, boat, or airplane is an amount not in excess of the price listed in a used vehicle pricing guide for a private party sale, not the dealer retail value, of a similar vehicle. However, the FMV may be less than that amount if the vehicle has engine trouble, body damage, high mileage, or any type of excessive wear. The FMV of a donated vehicle is the same as the price listed in a used vehicle pricing guide for a private party sale only if the guide lists a sales price for a vehicle that is the same make, model, and year, sold in the same area, in the same condition, with the same or similar options or accessories, and with the same or similar warranties as the donated vehicle.

Example. You donate a used car in poor condition to a local high school for use by students studying car repair. A used car guide shows the dealer retail value for this type of car in poor condition is $1,600. However, the guide shows the price for a private party sale of the car is only $750. The FMV of the car is considered to be no more than $750.

Boats. Except for inexpensive small boats, the valuation of boats should be based on an appraisal by a marine surveyor because the physical condition is so critical to the value.

More information. Your deduction for a donated car, boat, or airplane is generally limited to the gross proceeds from its sale by the qualified organization. This rule applies if the claimed value of the donated vehicle is more than $500. In certain cases, you can deduct the vehicle's FMV. For details, see Pub. 526.

Inventory

If you donate any inventory item to a charitable organization, the amount of your deductible contribution is generally the FMV of the item, minus any gain you would have realized if you had sold the item at its FMV on the date of the gift. For more information, see Pub. 526.

Patents

To determine the FMV of a patent, you must take into account, among other factors:

- Whether the patented technology has been made obsolete by other technology;
- Any restrictions on the donee's use of, or ability to transfer, the patented technology; and
- The length of time remaining before the patent expires.

However, your deduction for a donation of a patent or other intellectual property is its FMV, minus any gain you would have realized if you had sold the property at its FMV on the date of the gift. Generally, this means your deduction is the lesser of the property's FMV or its basis. For details, see Pub. 526.

Stocks and Bonds

The value of stocks and bonds is the FMV of a share or bond on the valuation date. See Date of contribution, earlier, under What Is Fair Market Value (FMV)?

Selling prices on valuation date. If there is an active public market for the contributed stock or bonds on a stock exchange, in an over-the-counter market, or elsewhere, the FMV of each share or bond is the average price between the highest and lowest quoted selling prices on the valuation date. For example, if the highest selling price for a share was $11 and the lowest $9, the average price is $10. You get the average price by adding $11 and $9 and dividing the sum by 2.

No sales on valuation date. If there were no sales on the valuation date, but there were sales within a reasonable period before and after the valuation date, you determine FMV by taking the average price between the highest and lowest sales prices on the nearest date before and on the nearest date after the valuation date. Then you weight these averages in inverse order by the respective number of trading days between the selling dates and the valuation date.

Example. On the day you gave stock to a qualified organization, there were no sales of the stock. Sales of the stock nearest the valuation date took place 2 trading days before the valuation date at an average selling price of $10 and 3 trading days after the valuation date at an average selling price of $11.
average selling price of $15. The FMV on the valuation date was $12, figured as follows.

\[
\frac{[3 \times 10]}{5} + \frac{2 \times 15}{5} = 12
\]

**Listings on more than one stock exchange.** Stocks or bonds listed on more than one stock exchange are valued based on the prices of the exchange on which they are principally dealt. This applies if these prices are published in a generally available listing or publication of general circulation. If this is not applicable, and the stocks or bonds are reported on a composite listing of combined exchanges in a publication of general circulation, use the composite list. See also **Unavailable prices**, later.

**Bid and asked prices on valuation date.** If there were no sales within a reasonable period before and after the valuation date, the FMV is the average price between the bona fide bid and asked prices on the valuation date.

**Example.** Although there were no sales of Blue Corporation stock on the valuation date, bona fide bid and asked prices were available on that date of $14 and $16, respectively. The FMV is $15, the average price between the bid and asked prices.

**No prices on valuation date.** If there were no prices available on the valuation date, you determine FMV by taking the average prices between the bona fide bid and asked prices on the closest trading date before and after the valuation date. Both dates must be within a reasonable period. Then you weight these averages in inverse order by the respective number of trading days between the bid and asked dates and the valuation date.

**Example.** On the day you gave stock to a qualified organization, no prices were available. Bona fide bid and asked prices 3 days before the valuation date were $10 and 2 days after the valuation date were $15. The FMV on the valuation date is $13, figured as follows.

\[
\frac{[2 \times 10]}{5} + \frac{3 \times 15}{5} = 13
\]

**Prices only before or after valuation date, but not both.** If no selling prices or bona fide bid and asked prices are available on a date within a reasonable period before the valuation date, but are available on a date within a reasonable period after the valuation date, or vice versa, then the average price between the highest and lowest of such available prices may be treated as the value.

**Large blocks of stock.** When a large block of stock is put on the market, it may lower the selling price of the stock if the supply is greater than the demand. On the other hand, market forces may exist that will afford higher prices for large blocks of stock. Because of the many factors to be considered, determining the value of large blocks of stock usually requires the help of experts specializing in underwriting large quantities of securities or in trading in the securities of the industry of which the particular company is a part.

**Unavailable prices.** If selling prices (or bid and asked prices) are not available, you should work with a professional appraiser to determine the FMV of the bond or stock on the valuation date because the analysis requires consideration of factors similar to those used to value an **Interest in a Business**.

**Restricted securities.** Some classes of stock cannot be traded publicly because of restrictions imposed by the Securities and Exchange Commission, or by the corporate charter or a trust agreement. These restricted securities usually trade at a discount in relation to freely traded securities.

You should work with a professional because the analysis requires consideration of factors similar to those used to value an **Interest in a Business**.

**Real Estate**

Because each piece of real estate is unique and its valuation is complicated, a detailed appraisal by a professional appraiser is necessary.

The appraiser must be thoroughly trained in the application of appraisal principles and theory. In some instances, the opinions of equally qualified appraisers may carry unequal weight, such as when one appraiser has a better knowledge of local conditions.

The appraisal report must contain a complete description of the property, such as street address, legal description, and lot and block number, as well as physical features, condition, and dimensions. The use to which the property is put, zoning and permitted uses, and its potential use for other higher and better uses are also relevant.

In general, there are three main approaches to the valuation of real estate. An appraisal may require the combined use of two or three methods rather than one method only.

1. **Comparable Sales**

The comparable sales method compares the donated property with several similar properties that have been sold. The selling prices, after adjustments for differences in date of sale, size, condition, and location, would then indicate the estimated FMV of the donated property.

If the comparable sales method is used to determine the value of unimproved real property (land without significant buildings, structures, or any other improvements that add to its value), the appraiser should consider the following factors when comparing the potential comparable property and the donated property.

- Location, size, and zoning or use restrictions.
- Accessibility and road frontage, and available utilities and water rights.
- Riparian rights (right of access to and use of the water by owners of land on the bank of a river) and existing easements, rights-of-way, leases, etc.
- Soil characteristics, vegetative cover, and status of mineral rights.
- Other factors affecting value.

For each comparable sale, the appraisal must include the names of the buyer and seller, the deed book and page number, the date of sale and selling price, a property description, the amount and terms of mortgages, property surveys, the assessed value, the tax rate, and the assessor's appraised FMV.

The comparable selling prices must be adjusted to account for differences between the sale property and the donated property. Because differences of opinion may arise between appraisers as to the degree of comparability and the amount of the adjustment considered necessary for comparison purposes, an appraiser should document each item of adjustment.

Only comparable sales having the least adjustments in terms of items and/or total dollar adjustments should be considered as comparable to the donated property.

2. **Capitalization of Income**

This method capitalizes the net income from the property at a rate that represents a fair return on the particular investment at the particular time, considering the risks involved. The key elements are the determination of the income to be capitalized and the rate of capitalization.

3. **Replacement Cost New or Reproduction Cost Minus Observed Depreciation**

This method, used alone, usually does not result in a determination of FMV. Instead, it generally tends to set the upper limit of value, particularly in periods of rising costs, because it is reasonable to assume that an informed buyer will not pay more for the real estate than it would cost to reproduce a similar property. Of course, this reasoning does not apply if a similar property cannot be created because of location, unusual construction, or some other reason. Generally, this method serves to support the value determined from other methods. When the replacement cost method is applied to improved realty, the land and improvements are valued separately.

The replacement cost of a building is figured by considering the materials, the quality of workmanship, and the number of square feet or cubic feet in the building. This cost represents the total cost of labor and material, overhead, and profit. After the replacement cost has been figured, consideration must be given to the following factors.

- Physical deterioration—the wear and tear on the building itself.
- Functional obsolescence—usually in older buildings with, for example, inadequate lighting, plumbing, or heating; small rooms; or a poor floor plan.
- Economic obsolescence—outside forces causing the whole area to become less desirable.
Interest in a Business

The FMV of any interest in a closely held business (whether a sole proprietorship or a business taxed as a corporation or partnership) is the amount that a willing buyer would pay for the interest to a willing seller after consideration of all relevant factors. Because of the many factors to be considered in determining the FMV of an interest in a closely held business, the help of experts is usually required. Such a determination requires the consideration of all available financial data, as well as all relevant factors affecting FMV. The following factors, although not all-inclusive, may be helpful:

- The business’s net worth and prospective earning power.
- The nature and history of the business.
- The economic outlook of the industry in which the business operates.
- The business’s position in the industry, its competitors, and its management.
- The FMV of assets of the business including goodwill, if applicable.
- The value of interests in businesses engaged in the same or similar industries.

You should keep complete financial and other information on which the valuation is based. This includes copies of reports of examinations of the business made by accountants, engineers, or any technical experts on or close to the valuation date.

Annuities, Interests for Life or Terms of Years, Remainders, and Reversions

The FMV of these kinds of property is their present value, except in the case of annuities under contracts issued by companies regularly engaged in their sale. The valuation of these commercial annuity contracts and of insurance policies is discussed later under Certain Life Insurance and Annuity Contracts.

To determine present value, you must know the applicable interest rate and use actuarial tables.

Interest rate. The applicable interest rate varies. It is announced monthly in a news release and published in the Internal Revenue Bulletin as a Revenue Ruling. The interest rate to use is under the heading “Rate Under Section 7520” for a given month and year. For a transfer involving a charitable interest, you may elect to use the interest rate for the month of the donation or the interest rate for either of the 2 preceding months. You must use the same interest rate to determine the present value of all interests in that property. You must attach a statement to the return to take the election. You can call the IRS office at 800-829-1040 to obtain this rate.

Actuarial tables. You need to refer to actuarial tables to determine the present value of a charitable interest in the form of an annuity, any interest for life or a term of years, or remainder interest donated to a charitable organization.

Use the actuarial tables set forth by regulation for these types of interests. These tables are referenced by and explained in IRS Pub. 1457, Actuarial Valuations, Version 4A; Pub. 1458, Actuarial Valuations, Version 4B; and Pub. 1459, Actuarial Valuations, Version 4C. These publications provide examples showing the use of actuarial factors and contain links to the tables of factors to be used in determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest.

Pub. 1457 explains the use of actuarial factors for computing the present value of a remainder interest in a charitable remainder annuity trust and a pooled income fund, as well as factors for annuities, life estates, term certain estates, and other remainder interests. Pub. 1458 explains the use of the factors for valuing the remainder interest in a charitable remainder unitrust. Pub. 1459 explains the use of the factors to determine the present value of a remainder interest in depreciable property. You can download Pub. 1457, 1458, and 1459 from https://www.irs.gov/retirement-plans/actuarial-tables.

Formulas for actuarial factors for transfers to pooled income funds may also be found in Regulations section 1.642(c)-6(e)(6), factors for transfers to charitable remainder unitrusts in Regulations section 1.664-4(e), and factors for other transfers in Regulations section 20.2031-7(d)(6).

Note. The tables referenced by Versions 4A, 4B, and 4C of the publications are effective for transfers on or after June 1, 2023. These tables use a more recent mortality basis than earlier tables. The earlier versions of the publications, Versions 3A, 3B, and 3C, are also available; these versions—and the actuarial tables they reference—are applicable for transfers after April 30, 2009, and before June 1, 2023. However, there is a transition rule under which you may elect to use the later tables (those referenced in Versions 4A, 4B, and 4C) for valuing interests transferred from May 1, 2019, through June 1, 2023. However, you must be consistent in using factors derived under the same mortality basis with respect to each interest (income, remainder, annuity, etc.) in the same property, and with respect to all transfers occurring on that valuation date. All of these publications and tables can be accessed from https://www.irs.gov/retirement-plans/actuarial-tables.

Special factors. If you need a special factor for an actual transaction, you can request a letter ruling. Be sure to include the date of birth of each person the duration of whose life may affect the value of the interest. Also include copies of the relevant instruments. The IRS charges a user fee for providing special factors.

For more information about requesting a ruling, see Revenue Procedure 2024-1 (or annual update).

For information on the circumstances under which a charitable deduction may be allowed for the donation of a partial interest in property not in trust, see Partial Interest in Property Not in Trust, later.

Partial Interest in Property Not in Trust

Generally, no deduction is allowed for a charitable contribution, not made in trust, of less than your entire interest in property. However, this does not apply to a transfer of less than your entire interest if it is a transfer of:

- A remainder interest in your personal residence, farm,
- An undivided part of your entire interest in property, or
- A qualified conservation contribution.

Remainder Interest in Real Property

The amount of the deduction for a donation of a remainder interest in real property is the FMV of the remainder interest at the time of the contribution, determined as the present value of that remainder interest. To determine the present value of the remainder interest, you must know the FMV of the property as a whole (from which the remainder interest is donated) on the date of the contribution. Multiply the FMV of the whole property by the appropriate remainder factor. Examples in Pub. 1457, 1458 and 1459 show how to use these factors and contain links to these tables.

If the underlying property of which the remainder interest being donated is depreciable property, you must make an adjustment for depreciation or depletion using the factors in Table C, as referenced by and explained in Pub. 1459, Actuarial Valuations, Version 4C. See Annuities, Interests for Life or Terms of Years, Remainders, and Reversions, earlier. You can download Pub. 1459 from https://www.irs.gov/retirement-plans/actuarial-tables.

For this purpose, the term “depreciable property” means any property subject to wear and tear or obsolescence, even if not used in a trade or business or for the production of income.

If the remainder interest is an interest in real property that includes both depreciable and nondepreciable elements, for example, a house and land, the FMV of the underlying real property must be allocated between each kind of property at the time of the contribution. You must use distinct actuarial factors that apply separately to the depreciable portion and to the nondepreciable portion, in order to determine the present value of the entire remainder...
interest. The example provided in Pub. 1459 explains how to get both kinds of remainder factors and apply them separately to the two elements of the underlying property value. The sum of the present value of the remainder interest in the nondepreciable element of the underlying property, plus the present value of the remainder interest in the depreciable element of the underlying property, is the present value of the entire remainder interest in the property.

For more information, see Regulations section 1.170A-12.

Undivided Part of Your Entire Interest

A contribution of an undivided part of your entire interest in property must consist of a part of each and every substantial interest or right you own in the property. It must extend over the entire term of your interest in the property. For example, you are entitled to the income from certain property for your life (life estate) and you contribute 20% of that life estate to a qualified organization. You can claim a deduction for the contribution if you do not have any other interest in the property.

If the only interest you own in real property is a remainder interest in a personal residence or farm and you give your entire remainder interest to a qualifying charity under section 170(c), see Annuities, Interests for Life or Terms of Years, Remainders, and Reversions above, for information on how to value that remainder interest.

Note. No income tax deduction is available if you give part of your remainder interest in any kind of property. See Partial Interest in Property Not in Trust, above.

Qualified Conservation Contribution

A qualified conservation contribution is a contribution of a qualified real property interest to a qualified organization to be used only for conservation purposes as defined in section 170(h)(4).

Qualified organization. For purposes of a qualified conservation contribution, a qualified organization is:

• A governmental unit;
• A publicly supported charitable, religious, scientific, literary, educational, etc., organization;
• An organization that is controlled by, and operated for the exclusive benefit of, a governmental unit or a publicly supported charity.

The organization must also have a commitment to protect the conservation purposes of the donation and must have the resources to enforce the restrictions.

Note. A qualified organization is a certain group of charities than a charity that qualifies under section 170(c) for an income tax charitable deduction.

Conservation purposes. Your contribution must be made only for one of the following conservation purposes.

• Preserving land areas for outdoor recreation by, or for the education of, the general public.
• Protecting a relatively natural habitat of fish, wildlife, or plants, or a similar ecosys tem.
• Preserving open space, including farmland and forest land, if it yields a significant public benefit. It must be either for the scenic enjoyment of the general public or under a clearly defined federal, state, or local government conservation policy.
• Preserving a historically important land area or a certified historic structure. There must be some visual public access to the property. Factors used in determining the type and amount of public access required include the historical significance of the property, the remoteness or accessibility of the site, and the extent to which intrusions on the privacy of individuals living on the property would be unreasonable.

Certified historic structures. A certified historic structure is a building that is listed individually in the National Register of Historic Places (National Register building), or a building that is located in a registered historic district and has been certified by the Secretary of the Interior as contributing to the historic significance of that district (historically significant building). If the individual listing in the National Register of Historic Places consists of more than one building (for example, a house, a garage, a mill complex, etc.) the Secretary of the Interior may have to certify which of the multiple buildings qualify as certified historic structures.

A registered historic district is any district listed in the National Register of Historic Places. A state or local historic district may also qualify as a registered historic district if the district and the enabling statutes are certified by the Secretary of the Interior. You can claim a deduction for a qualified conservation contribution of a National Register building. This contribution can take the form of a qualified real property interest that is an easement or other restriction on all or part of the exterior or interior of the building.

You can claim a deduction for a qualified conservation contribution of a historically significant building. This can take the form of a contribution of a qualified real property interest that is an easement or other restriction on all or part of the interior of the building. However, you cannot claim a deduction for a contribution of a qualified real property interest that is an easement or other restriction on the exterior of a building unless the easement or other restriction meets each of the following three conditions.

1. The restriction must preserve the entire exterior of the building and must prohibit any change to the exterior of the building (including its front, sides, rear, and height) that is inconsistent with its historical character.
2. You and the organization receiving the contribution must enter into a written agreement certifying, under penalty of perjury, that the organization:
   - Is a qualified organization with a purpose of environmental protection, land conservation, open space preservation, or historic preservation; and
   - Has the resources to manage and enforce the restriction and a commitment to do so.
3. You must include with your return:
   - Form 8283, completed as specified in the instructions to Form 8283;
   - A signed qualified appraisal, performed by a qualified appraiser;
   - Photographs of the building’s entire exterior;
   - A description of all restrictions on development of the building, such as zoning laws and restrictive covenants; and
   - The National Park Service project number (NPS #), if applicable. See the Form 8283 instructions for more information.

If you claim a deduction of more than $10,000 for an easement or other restriction on the exterior of a historically significant building, your deduction will not be allowed unless you pay a $500 filing fee. See Form 8283-V and its instructions.

If you claimed the rehabilitation credit for a National Register or historically significant building for any of the 5 years before the year of the qualified conservation contribution, your charitable deduction is reduced. For more information, see Form 3468, Investment Credit, and section 170(f)(14).

Qualified real property interest. This is any of the following interests in real property.

1. Your entire interest in real estate other than a mineral interest (subsurface oil, gas, or other minerals, and the right of access to these minerals).
2. A remainder interest.
3. A restriction (granted in perpetuity) on the use that may be made of the real property; also commonly known as an easement, a restrictive covenant, an equitable servitude, or a perpetual conservation restriction, depending upon terminology applicable where the real property is located. See Regulations section 1.170A-14(b)(2) for further information.

Valuation. A qualified real property interest described in (1) consists of the following.

• Your entire interest in real property with you retaining a qualified mineral interest, or your entire interest in the real property when someone else owns the qualified mineral interest and the probability of surface mining occurring is so remote as to be negligible. A qualified mineral interest gives you the right to access subsurface oil, gas, or other minerals. You determine the FMV of the real property absent the qualified mineral interest in the same manner that you determine the FMV of real estate. See Real Estate, earlier.
• A remainder interest in real property. You determine the FMV of a remainder interest in real property as directed earlier under Remainder Interest in Real Property.
• A conservation restriction (granted in perpetuity) on the use which may be made of real property.

The value of the charitable contribution of a perpetual conservation restriction (conservation easement) is the FMV of the easement at the time of the contribution. In determining the FMV of a conservation easement, if there is a substantial record of arm’s-length sales of conservation easements on other properties that are the same as or very similar to the donated conservation easement, you must take into account the selling price of these easements. If there are no comparable sales, the FMV of the conservation easement is generally determined indirectly as the difference between the FMVs of the property before and after the grant of the conservation easement. The FMV of the property before the grant of the conservation easement must take into account not only the current use of the property but also an objective assessment of how immediate or remote the likelihood is that the property, without the easement, would be developed. In determining whether the property could be developed, you must also consider any zoning, conservation, or historical preservation laws that would already restrict the property’s potential highest and best use.

Finally, if a potential highest and best use is being considered that would require a change in zoning or other restrictions on the property, you must address whether it is reasonably probable that such a change would be permitted. Grating a conservation easement may increase, rather than reduce, the value of property, and in such a situation no deduction would be allowed.

Example. You own 10 acres of farmland. Similar land in the area has an FMV of $2,000 an acre. However, land in the general area that is restricted solely to farm use has an FMV of $1,500 an acre. Your county wants to preserve open space and prevent further development in your area.

You grant to the county an enforceable open space easement in perpetuity on 8 of the 10 acres, restricting its use to farmland. The value of this easement is $4,000, determined as follows.

<table>
<thead>
<tr>
<th>FMV of the property before granting easement:</th>
<th>$2,000 × 10 acres</th>
<th>$20,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMV of the property after granting easement:</td>
<td>$1,500 × 8 acres</td>
<td>$12,000</td>
</tr>
<tr>
<td></td>
<td>$2,000 × 2 acres</td>
<td>$4,000</td>
</tr>
<tr>
<td></td>
<td>$4,000</td>
<td></td>
</tr>
</tbody>
</table>

If you later transfer in fee your remaining interest in the 2 acres to another qualified organization, the FMV of your remaining interest is the FMV of the 8 acres reduced by the FMV of the easement granted to the first organization.

Disallowance of deductions for certain conservation contributions by pass-through entities. Subject to three exceptions, if the amount of the pass-through entity’s contribution of qualified real property interest exceeds 2.5 times the sum of each member’s relevant basis in such pass-through entity, each member of such pass-through entity cannot claim a deduction for the charitable conservation contribution.

For the purpose of this disallowance rule, the pass-through entity must calculate the sum of the relevant basis of all members of the pass-through entity and report it on the Form 8283. Relevant basis is, with respect to any member, the portion of the member’s modified basis in its interest in the pass-through entity that is allocable to the portion of the real property with respect to which the qualified conservation contribution is made. Modified basis, with respect to any member, is the adjusted basis in the member’s interest in the pass-through entity as determined (I) immediately before the conservation contribution, (II) without regard to the member’s share of any liabilities of the pass-through entity, and (III) by the entity after taking into account the adjustments described in subclauses (I) and (II). The pass-through entity must determine such member’s modified basis.

More information. For more information about qualified conservation contributions, see Pub. 526.

Substantiation of Noncash Charitable Contributions

What you need to substantiate your deduction depends upon the property being donated and the claimed value of this property. There are three types of documents that may be required in order to substantiate your contribution.

• Contemporaneous Written Acknowledgment (CWA).
• Form 8283.
• An appraisal, which in some cases must be a “qualified appraisal,” completed by a “qualified appraiser.”

CWA. You must get a CWA from the charity to which you contributed property on or before the earlier of the date on which you file a return reporting the donation or the due date (including extensions) for filing such return.

CWA must include the following:
1. The name of the organization;
2. The amount of any monetary contribution;
3. A description (but not the FMV) of any contribution of property;
4. A statement that no goods or services were provided by the organization in return for the contribution, if that was the case;
5. If the organization did provide goods or services in return for the contribution, a description and good faith estimate of the FMV of the goods or services; and
6. If the organization only provided intangible religious benefits (described later in this publication) in return for the contribution, a statement so providing.

See Pub. 771 for examples of CWAs.

Form 8283. You must file a Form 8283 if the amount of your deduction for each noncash contribution is more than $500, and when you donate certain publicly traded securities for which market quotations are readily available; certain intellectual property, like a patent; a vehicle for which you obtained a CWA meeting the requirements of section 170(f)(12)(B) (including a car, boat, or airplane) for which your deduction is limited to the gross proceeds from its sale; and inventory and other similar property described in section 1221(a)(1). You must also file a Form 8283 if you have a group of similar items for which a total deduction of over $500 is claimed. See Form 8283 below.

Similar items of property are items of the same general category or type, such as coin collections, paintings, books, clothing, jewelry, nonpublicly traded stock, land, or buildings.

Example. You claimed a deduction of $600 for inventory, $7,000 for publicly traded securities (quotations published daily), and $6,000 for a collection of 15 books ($400 each).

Appraisal. Many, but not all, charitable contributions require a qualified appraisal completed by a qualified appraiser. See Qualified Appraiser and Qualified Appraisal, later.

A qualified appraisal is not required for the donation of:
• Certain publicly traded securities for which market quotations are readily available;
• Certain intellectual property, like a patent;
• A vehicle for which you obtained a CWA meeting the requirements of section 170(f) (12)(B) (including a car, boat, or airplane) for which your deduction is limited to the gross proceeds from its sale;
• Inventory and other similar property described in section 1221(a)(1); and
• Noncash property valued at less than $5,000 unless the property is an item of clothing or a household item that is not in good used condition for which you are claiming a value of more than $500.

The appraiser’s opinion is never more valid than the facts on which it is based; without these facts, it is simply a guess.

Even when a qualified appraisal by a qualified appraiser is not required, you must support the value you claim for the property you contribute to charity. For property like publicly traded securities for which market quotations are readily available, you may not need an appraisal by an appraiser. When you need an appraisal by an appraiser to support the value of your deduction, more weight is given to an appraisal by an appraiser that satisfies most of the requirements of a qualified appraisal by a qualified appraiser.

Cost of appraisals. You may not take a charitable contribution deduction for fees you pay for appraisals of your donated property.

Donation less than $5,000. If you give property worth less than $250 to charity, you should obtain a receipt from the charity. The receipt should include the charity’s name and address, and the date you made the gift. If you give property worth between $250 and $5,000, you must obtain a CWA. You must also substantiate the
Deduction over $500 for certain clothing or household items. You must include with your return a qualified appraisal prepared by a qualified appraiser of any single item of clothing or any household item that is not in good used condition or better, and for which you deduct more than $500. Attach the appraisal and Form 8283. See Household Items and Used Clothing earlier. You must also obtain a CWA for this donation.

Deductions of More Than $5,000

Generally, if the claimed deduction for an item or group of similar items of donated property is more than $5,000, and was made after December 31, 1984, you must:
• Obtain a qualified appraisal signed and dated by a qualified appraiser, and
• Complete and attach Form 8283 to your tax return.

There are exceptions, discussed later. You should keep the appraiser’s report with your written records. Records are discussed in Pub. 526. You must also obtain a CWA for this donation.

The phrase “similar items” means property of the same generic category or type (whether or not donated to the same donee), such as stamps, coins, fine art, books, nonpublicly traded stock, nonpublicly traded securities other than nonpublicly traded stock, land, buildings, clothing, jewelry, furniture, household goods, collectibles, or decorative arts. For example, if you give books to three schools and you deduct $2,000, $2,500, and $900, respectively, your claimed deduction is more than $5,000 for these books. You must get a qualified appraisal of the books and for each school you must attach a fully completed Form 8283, Section B, to your tax return.

Publicly traded securities. Publicly traded securities are:
• Listed on a stock exchange in which quotations are published on a daily basis,
• Regularly traded in a national or regional over-the-counter market for which published quotations are available, or
• Shares of an open-end investment company (mutual fund) for which quotations are published on a daily basis in a newspaper of general circulation throughout the United States.
• The issue is regularly traded during the computation period (defined later) in a market for which there is an “interdealer quotation system” (defined later);
• The issuer or agent computes the “average trading price” (defined later) for the same issue for the computation period;
• The average trading price and total volume of the issue during the computation period are published in a newspaper of general circulation throughout the United States; not later than the last day of the month following the end of the calendar quarter in which the computation period ends;
• The issuer or agent keeps books and records that list for each transaction during the computation period the date of settlement of the transaction, the name and address of the broker or dealer making the market in which the transaction occurred, and the trading price and volume; and
• The issuer or agent permits the IRS to review the books and records described in the above bullet point with respect to transactions during the computation period upon receiving reasonable notice.

An interdealer quotation system is any system of general circulation to brokers and dealers that regularly disseminates quotations of obligations by two or more identified brokers or dealers who are not related to either the issuer or agent who computes the average trading price of the security. A quotation sheet prepared and distributed by a broker or dealer in the regular course of business and containing only quotations of that broker or dealer is not an interdealer quotation system.

The average trading price is the average price of all transactions (weighted by volume), other than original issue or redemption transactions, conducted through a U.S. office of a broker or dealer who maintains a market in the issue of the security during the computation period. Bid and asked quotations are not taken into account.

The computation period is weekly during October through December and monthly during January through September. The weekly computation periods during October through December begin with the first Monday in October and end with the first Sunday following the last Monday in December.

Deductions of More Than $500,000

If you claim a deduction of more than $500,000 for a donation of property, you must attach a qualified appraisal of the property to your return. This does not apply to contributions of cash, inventory, publicly traded stock, or intellectual property.

If you do not obtain a qualified appraisal and/or attach the appraisal to your return, if required, you cannot deduct your contribution, unless your failure to attach the appraisal is due to reasonable cause and not to willful neglect.

Qualified Appraisal

A qualified appraisal is an appraisal document that meets the following requirements:
• Is made, signed, and dated by a qualified appraiser (defined later) in accordance with the substance and principles of the Uniform Standards of Professional Appraisal Practice;
• Meets the relevant requirements of Regulations section 1.170A-17(a) and (b);
• Is signed by the qualified appraiser and dated no earlier than 60 days before the date of the contribution and no later than the due date, including extensions, of the return on which the deduction for the contribution is first claimed. For an appraisal report dated before the date of the contribution, the valuation effective date must be no earlier than 60 days before the date of the contribution and no later than the date of the contribution. For an appraisal report dated on or after the date of the contribution, the valuation effective date must be the date of the contribution;
• Does not involve a prohibited appraisal fee.

You must receive the qualified appraisal before the due date, including extensions, of the return on which a charitable contribution deduction is first claimed for the donated property. If the deduction is first claimed on an amended return, the qualified appraisal must be received before the date on which the amended return is filed. An appraisal is not a qualified appraisal if you fail to disclose or you misrepresent facts to your appraiser and a reasonable person would expect this failure or misrepresentation to cause the appraiser to misstate the value of the property you contributed.

Form 8283 must be completed and attached to your tax return. Generally, you do not need to attach the qualified appraisal itself, but you should keep a copy as long as it may be relevant under the tax law. There are four exceptions:
• If you claim a deduction of $20,000 or more for donations of art, you should attach a complete copy of the appraisal. See Art and Collectibles, earlier.
• If you claim a deduction of more than $500,000 for a donation of property, you must attach the appraisal. See Deductions of More Than $500,000, earlier.
• If you claim a deduction of more than $500 for an article of clothing, or a household item, that is not in good used condition or better, you must attach the appraisal. See Deduction over $500 for Certain Clothing or Household Items, earlier.
• If you claim a deduction for an easement or other restriction on the exterior of a building in a historic district, you must attach the appraisal. See Certified historic structures, earlier.

Prohibited appraisal fee. Generally, no part of the fee arrangement for a qualified appraisal can be based on a percentage of the appraised value of the property. If a fee arrangement is based on what is allowed as a deduction, after IRS examination or otherwise, it is treated as a fee based on a percentage of appraised value.

Information included in qualified appraisal. A qualified appraisal must include the following information.
1. A description of the property in sufficient detail for a person who is not generally familiar with the type of property to determine that the property appraised is the property that was (or will be) contributed.
2. The physical condition of any tangible personal property or real property.
3. The date (or expected date) of contribution (valuation effective date).
4. The terms of any agreement or understanding entered into (or expected to be entered into) by or on behalf of the donor.
and donee that relates to the use, sale, or other disposition of the donated property, including, for example, the terms of any agreement or understanding that:

a. Temporarily or permanently restricts a donee’s right to use or dispose of the donated property;

b. Earmarks donated property for a particular use; or

c. Reserves to, or confers upon, anyone (other than a donee organization or an organization participating with a donee organization in cooperative fund-raising) any right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having the income, possession, or right to acquire the property.

5. The name, address, and taxpayer identification number (TIN) of the qualified appraiser and, if the appraiser is a partner, an employee, or an independent contractor engaged by a person other than the donor, the name, address, and taxpayer identification number of the partnership or the person who employs or engages the appraiser.

6. The qualifications of the qualified appraiser who signs the appraisal to value the type of property being valued, including the appraiser’s background, experience, education, and any membership in professional appraisal associations.

7. A statement that the appraisal was prepared for income tax purposes.

8. The declaration required by Regulations section 1.170A-17(3)(iv).

9. The appraised FMV on the date (or expected date) of contribution.

10. The method of valuation used to determine FMV, such as the sales comparison approach, cost approach, or income approach.

11. The specific basis for the valuation, such as any specific comparable sales transaction.

12. The report completion date.

Art objects. The following are examples of information that should be included in a description of donated art objects. Appraisals of art objects—paintings in particular—should include all of the following.

1. A complete description of the object, indicating the:

a. Dimensions;

b. Subject matter;

c. Medium and support;

d. Name of the artist (or culture);

e. Approximate date created; and

f. Condition, including a condition report by a professional conservator if condition affects value.

2. The cost, date, and manner of acquisition.

3. A history of the item's prior ownership (provenance).

4. The exhibition history of the object.

5. Authenticity documentation. Reasonable due diligence should include catalogue raisonné citations, foundation numbers, and/or letters from a recognized expert, when warranted.

6. A professional quality color image of the item.

7. The facts on which the appraisal was based, such as:

a. Identification and analysis of the item's value characteristics;

b. Comparable sales of similar works by the artist which were sold in a time period close to the valuation date;

c. The economic state of the art market at the time of valuation, particularly with respect to the specific property; and
d. The standing of the artist in their profession and in the particular artistic school or time period.

Number of qualified appraisals. A separate qualified appraisal is required for each item of property that is not included in a group of similar items of property. You need only one qualified appraisal for a group of similar items of property contributed in the same tax year, but you may get separate appraisals for each item. A qualified appraisal for a group of similar items must provide all of the required information for each item of similar property. The appraiser, however, may provide a group description for selected items the total value of which is not more than $100.

Qualified appraiser. A qualified appraiser is an individual with verifiable education and experience in valuing the type of property for which the appraisal is performed.

1. The individual:

a. Has earned an appraisal designation from a generally recognized professional appraisal organization, for the type of property being valued; or

b. Has met certain minimum education requirements and 2 or more years of experience in valuing the type of property being valued. To meet the minimum education requirement, the individual must have successfully completed professional or college-level coursework obtained from:

i. A professional or college-level educational organization,

ii. A professional trade or appraiser organization that regularly offers educational programs in valuing the type of property, or

iii. An employer as part of an employee apprenticeship or education program similar to professional or college-level courses.

2. The individual regularly prepares appraisals for which they are paid.

3. The individual is not an excluded individual (defined later).

In addition, the appraiser must make a declaration in the appraisal that, because of their background, experience, education, and membership in professional associations, they are qualified to make appraisals of the type of property being valued. The appraiser must complete the Declaration of Appraiser section on Form 8283, Section B. More than one appraiser may appraise the property, provided that each complies with the requirements, including signing the qualified appraisal and the Declaration of Appraiser section on Form 8283, Section B.

Excluded individuals. The following individuals cannot be qualified appraisers for the donated property.

1. The donor of the property or the taxpayer who claims the deduction.

2. The donee of the property.

3. A party to the transaction in which the donor acquired the property being appraised, unless the property is donated within 2 months of the date of acquisition and its appraised value is not more than its acquisition price. This applies to the person who sold, exchanged, or gave the property to the donor, or any person who acted as an agent for the transferor or donor in the transaction.

4. Any person employed by any of the above persons. For example, if the donor acquired a painting from an art dealer, neither the dealer nor persons employed by the dealer can be qualified appraisers for that painting.

5. Any person related under section 267(b) of the Internal Revenue Code to any of the above persons or married to a person related under section 267(b) to any of the above persons.

6. An appraiser who appraises regularly for a person in (1), (2), or (3), and who does not perform a majority of their appraisals made during their tax year for other persons.

7. An individual who receives a prohibited appraisal fee for the appraisal of the donated property. See Prohibited appraisal fee, earlier.

8. An individual who is prohibited from practicing before the IRS under section 330(c) of title 31 of the United States Code at any time during the 3-year period ending on the date the appraisal is signed by the individual.

In addition, an individual is not a qualified appraiser for a particular donation if the donor had knowledge of facts that would cause a reasonable person to expect the appraiser to falsely overstate the value of the donated property. For example, if the donor and the appraiser make an agreement concerning the amount at which the property will be valued, and the donor knows that amount is more than the FMV of the...
property, the appraiser is not a qualified appraiser for the donation.

**Appraiser penalties.** An appraiser who prepares an incorrect appraisal may have to pay a penalty if the appraiser knows, or reasonably should have known, the appraisal would be used in connection with a return or claim for refund, and the appraisal resulted in:

1. A substantial valuation misstatement,
2. A substantial estate or gift valuation understatement, or
3. A gross valuation misstatement.

The penalty imposed on the appraiser is the smaller of:

- The greater of:
  a. 10% of the underpayment due to the misstatement, or
  b. $1,000; or
- 125% of the gross income received for the appraisal.

No penalty is imposed if the appraiser can establish that the appraisal’s value is more likely than not correct.

In addition, any appraiser who falsely or fraudulently overstates the value of property described in a qualified appraisal of a Form 8283 that the appraiser has signed may be subject to a civil penalty for aiding and abetting an understatement of tax liability, and may have their appraisal disregarded.

**Form 8283**

Generally, if the claimed deduction for an item of donated property is more than $5,000, you must attach Form 8283 to your tax return and complete Section B.

If you do not attach Form 8283 to your return and complete Section B, the deduction will not be allowed unless your failure was due to reasonable cause and not willful neglect, or was due to a good faith omission.

You must attach a separate Form 8283 for each item of contributed property that is not part of a group of similar items. If you contribute similar items of property to more than one donee organization, you need attach only one Form 8283 for those items. If you contribute similar items of property to more than one donee organization, you must attach a separate form for each donee.

**IRS Review of Appraisals**

In reviewing an income tax return, the IRS may accept the claimed value of the donated property, based on information or appraisals sent with the return, or may make its own determination of FMV. In either case, the IRS may:

- Contact the taxpayer to get more information;
- Refer any valuation issues to an IRS appraiser or valuation specialist;
- Refer the issue to Art Appraisal Services (AAS), a department of professional appraisers who consults with the Commissioner’s Art Advisory Panel, a group of independent dealers and curators. A referral to AAS is mandatory for fine and decorative art valued at $50,000 or more; or
- Contract with an independent appraiser to appraise the property when the objects require appraisers of highly specialized experience and knowledge.

**Responsibility of the IRS.** The IRS is responsible for reviewing appraisals, but it is not responsible for making them. Supporting the FMV listed on your return is your responsibility.

The IRS does not accept appraisals without question. The IRS does not recognize any particular appraiser or organization of appraisers.

**Timing of IRS action.** The IRS generally does not approve valuations or appraisals before the actual filing of the tax return to which the appraisal applies. In addition, the IRS generally does not issue advance rulings approving or disapproving such appraisals.

**Exception.** For a request submitted as described earlier under Art valued at $50,000 or more, the IRS will issue a Statement of Value that can be relied on by the donor of the item of art.

The Statement of Value is a fee-based review of the taxpayer’s appraisal and claimed value. It does not guarantee a taxpayer’s entitlement to a deduction nor does it substitute for the substantiation documents, such as the CWA or Form 8283.

**Penalty**

You may be liable for a penalty if you misstate the value or adjusted basis of donated property.

- **20% penalty.** The penalty is 20% of the underpayment of tax related to the misstatement if:
  - The value or adjusted basis claimed on the return is 150% or more of the correct amount, and
  - You underpaid your tax by more than $5,000 because of the misstatement.

- **40% penalty.** The penalty is 40%, rather than 20%, if:
  - The value or adjusted basis claimed on the return is 200% or more of the correct amount, and
  - You underpaid your tax by more than $5,000 because of the misstatement.

**How To Get Tax Help**

If you have questions about a tax issue; need help preparing your tax return; or want to download free publications, forms, or instructions, go to IRS.gov to find resources that can help you right away.

**Preparing and filing your tax return.** After receiving all your wage and earnings statements (Forms W-2, W-2G, 1099-R, 1099-MISC, 1099- NEC, etc.); unemployment compensation statements (by mail or in a digital format) or other government payment statements (Form 1099-G); and interest, dividend, and retirement statements from banks and investment firms (Forms 1099), you have several options to choose from to prepare and file your tax return. You can prepare the tax return yourself, see if you qualify for free tax preparation, or hire a tax professional to prepare your return.

**Free options for tax preparation.** Your options for preparing and filing your return online or in your local community, if you qualify, include the following.

- **Free File.** This program lets you prepare and file your federal individual income tax return for free using software or Free File Fillable Forms. However, state tax preparation may not be available through Free File. Go to IRS.gov/FreeFile to see if you qualify for free online federal tax preparation, e-filing, and direct deposit or payment options.

- **VITA.** The Volunteer Income Tax Assistance (VITA) program offers free tax help to people with low-to-moderate incomes, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. Go to IRS.gov/VITA, download the free IRS2Go app, or call 800-906-9887 for information on free tax return preparation.

- **TCE.** The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors. Go to IRS.gov/TCE or download the free IRS2Go app for information on free tax return preparation.

**MiTAX.** Members of the U.S. Armed Forces and qualified veterans may use MiTAX, a free tax service offered by the Department of Defense through Military OneSource. For more information, go to MilitaryOneSource.mil/MiTAX.

Also, the IRS offers Free Fillable Forms, which can be completed online and then e-filed regardless of income.

**Using online tools to help prepare your return.** Go to IRS.gov/Tools for the following.

- The Earned Income Tax Credit Assistant (IRS.gov/EITCAssistant) determines if you’re eligible for the earned income credit (EIC).

- The Online EIN Application (IRS.gov/EIN) helps you get an employer identification number (EIN) at no cost.

- The Tax Withholding Estimator (IRS.gov/W4app) makes it easier for you to estimate the federal income tax you want your employer to withhold from your paycheck. This is tax withholding. See how your withholding affects your refund, take-home pay, or tax due.

- The First-Time Homebuyer Credit Account Lookup (IRS.gov/HomeBuyer) tool provides information on your repayments and account balance.

- The Sales Tax Deduction Calculator (IRS.gov/SalesTax) figures the amount you
can claim if you itemize deductions on Schedule A (Form 1040).

Getting answers to your tax questions. On IRS.gov, you can get up-to-date information on current events and changes in tax law.

- IRS.gov/Help: A variety of tools to help you get answers to some of the most common tax questions.
- IRS.gov/ITA: The Interactive Tax Assistant, a tool that will ask you questions and, based on your input, provide answers on a number of tax topics.
- IRS.gov/Forms: Find forms, instructions, and publications. You will find details on the most recent tax changes and interactive links to help you find answers to your questions.
- You may also be able to access tax information in your e-filing software.

Need someone to prepare your tax return? There are various types of tax return preparers, including enrolled agents, certified public accountants (CPAs), accountants, and many others who don’t have professional credentials. If you choose to have someone prepare your tax return, choose that preparer wisely. A paid tax preparer is:

- Primarily responsible for the overall substantive accuracy of your return.
- Required to sign the return, and
- Required to include their preparer tax identification number (PTIN).

Although the tax preparer always signs the return, you’re ultimately responsible for providing all the information required for the preparer to accurately prepare your return and for the accuracy of every item reported on the return. Anyone paid to prepare tax returns for others should have a thorough understanding of tax matters. For more information on how to choose a tax preparer, go to Tips for Choosing a Tax Preparer on IRS.gov.

Employers can register to use Business Services Online. The Social Security Administration (SSA) offers online service at SSA.gov/employer for fast, free, and secure W-2 filing options to CPAs, accountants, enrolled agents, and individuals who process Form W-2, Wage and Tax Statement, and Form W-2c, Corrected Wage and Tax Statement.

IRS social media. Go to IRS.gov/SocialMedia to see the various social media tools the IRS uses to share the latest information on tax changes, scam alerts, initiatives, products, and services. At the IRS, privacy and security are our highest priority. We use these tools to share public information with you. Don’t post your social security number (SSN) or other confidential information on social media sites. Always protect your identity when using any social networking site.

The following IRS YouTube channels provide short, informative videos on various tax-related topics in English, Spanish, and ASL.
- Youtube.com/irsvideos
- Youtube.com/irsvideosmultilingua
- Youtube.com/irsvideosASL

Watching IRS videos. The IRS Video portal (IRSVideos.gov) contains video and audio presentations for individuals, small businesses, and tax professionals.

Online tax information in other languages. You can find information on IRS.gov/MyLanguage if English isn’t your native language.

Free Over-the-Phone Interpreter (OPI) Service. The IRS is committed to serving taxpayers with limited-English proficiency (LEP) by offering OPI services. The OPI Service is a federally funded program and is available at Taxpayer Assistance Centers (TACs), most IRS offices, and every VITA/TCF tax return site. The OPI Service is accessible in more than 350 languages.

Accessibility Helpline available for taxpayers with disabilities. Taxpayers who need information about accessibility services can call 833-690-0598. The Accessibility Helpline can answer questions related to current and future accessibility products and services available in alternative media formats (for examples, braille, large print, audio, etc.). The Accessibility Helpline does not have access to your IRS account. For help with tax law, refunds, or account-related issues, go to IRS.gov/LetUsHelp.

Note. Form 9000, Alternative Media Preference, or Form 9000(SP) allows you to elect to receive certain types of written correspondence in the following formats:
- Standard Print.
- Large Print.
- Braille.
- Audio (MP3).
- Plain Text File (TXT).
- Braille Ready File (BRF).

Disasters. Go to IRS.gov/DisasterRelief to view the available disaster tax relief.

Getting tax forms and publications. Go to IRS.gov/Forms to view, download, or print all the forms, instructions, and publications you may need. Or, you can go to IRS.gov/FormOrderForms to place an order.

Getting tax publications and instructions in eBook format. Download and view most tax publications and instructions (including the Instructions for Form 1040) on mobile devices as eBooks at IRS.gov/eBooks.
IRS eBooks have been tested using Apple’s iPads for iPad. Our eBooks haven’t been tested on other dedicated eBook readers, and eBook functionality may not operate as intended.

Access your online account (individual taxpayers only). Go to IRS.gov/Account to securely access information about your federal tax account.
- View the amount you owe and a breakdown by tax year.
- See payment plan details or apply for a new payment plan.

- Make a payment or view 5 years of payment history and any pending or scheduled payments.
- Access your tax records, including key data from your most recent tax return, and transcripts.
- View digital copies of select notices from the IRS.
- Approve or reject authorization requests from tax professionals.
- View your address on file or manage your communication preferences.

Get a transcript of your return. With an online account, you can access a variety of information to help you during the filing season. You can get a transcript, review your most recently filed tax return, and get your adjusted gross income. Create or access your online account at IRS.gov/Account.

Tax Pro Account. This tool lets your tax professional submit an authorization request to access your individual taxpayer IRS online account. For more information, go to IRS.gov/TaxProAccount.

Using direct deposit. The safest and easiest way to receive a tax refund is to e-file and choose direct deposit, which securely and electronically transfers your refund directly into your financial account. Direct deposit also avoids the possibility that your check could be lost, stolen, destroyed, or returned undeliverable to the IRS. Eight in 10 taxpayers use direct deposit to receive their refunds. If you don’t have a bank account, go to IRS.gov/DirectDeposit for more information on where to find a bank or credit union that can open an account online.

Reporting and resolving your tax-related identity theft issues.

- Tax-related identity theft happens when someone steals your personal information to commit tax fraud. Your taxes can be affected if your SSN is used to file a fraudulent return or to claim a refund or credit.
- The IRS doesn’t initiate contact with taxpayers by email, text messages (including shortened links), telephone calls, or social media channels to request or verify personal or financial information. This includes requests for personal identification numbers (PINs), passwords, or similar information for credit cards, banks, or other financial accounts.
- Go to IRS.gov/IdentityTheft, the IRS Identity Theft Central webpage, for information on identity theft and data security protection for taxpayers, tax professionals, and businesses. If your SSN has been lost or stolen or you suspect you’re a victim of tax-related identity theft, you can learn what steps you should take.
- Get an Identity Protection PIN (IP PIN). IP PINs are six-digit numbers assigned to taxpayers to help prevent the misuse of their SSNs on fraudulent federal income tax returns. When you have an IP PIN, it prevents someone else from filing a tax return with your SSN. To learn more, go to IRS.gov/IPPIN.
Ways to check on the status of your refund.
- Go to IRS.gov/Refunds.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.

The IRS can’t issue refunds before mid-February for returns that claimed the EIC or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

Making a tax payment. Payments of U.S. tax must be remitted to the IRS in U.S. dollars. Digital assets are not accepted. Go to IRS.gov/Payments for information on how to make a payment using any of the following options.
- IRS Direct Pay: Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- Debit Card, Credit Card, or Digital Wallet: Choose an approved payment processor to pay online or by phone.
- Electronic Funds Withdrawal: Schedule a payment when filing your federal taxes using tax return preparation software or through a tax professional.
- Electronic Federal Tax Payment System: Best option for businesses. Enrollment is required.
- Check or Money Order: Mail your payment to the address listed on the notice or instructions.
- Cash: You may be able to pay your taxes with cash at a participating retail store.
- Same-Day Wire: You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

Note. The IRS uses the latest encryption technology to ensure that the electronic payments you make online, by phone, or from a mobile device using the IRS2Go app are safe and secure. Paying electronically is quick, easy, and faster than mailing in a check or money order.

What if I can’t pay now? Go to IRS.gov/Payments for more information about your options.
- Apply for an online payment agreement (IRS.gov/OPA) to meet your tax obligation in monthly installments if you can’t pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the Offer in Compromise Pre-Qualifier to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to IRS.gov/OIC.

Filing an amended return. Go to IRS.gov/Form1040X for information and updates.

Checking the status of your amended return. Go to IRS.gov/WMA4 to track the status of Form 1040-X amended returns.

It can take up to 3 weeks from the date you filed your amended return for it to show up in our system, and processing can take up to 16 weeks.

Understanding an IRS notice or letter you’ve received. Go to IRS.gov/Notices to find additional information about responding to an IRS notice or letter.

Responding to an IRS notice or letter. You can now upload responses to all notices and letters using the Document Upload Tool. For notices that require additional action, taxpayers will be redirected appropriately on IRS.gov to take further action. To learn more about the tool, go to IRS.gov/Upload.

Note. You can use Schedule LEP (Form 1040), Request for Change in Language Preference, to state a preference to receive notices, letters, or other written communications from the IRS in an alternative language. You may not immediately receive written communications in the requested language. The IRS’s commitment to LEP taxpayers is part of a multi-year timeline that began providing translations in 2023. You will continue to receive communications, including notices and letters, in English until they are translated into your preferred language.

Contacting your local TAC. Keep in mind, many questions can be answered on IRS.gov without visiting a TAC. Go to IRS.gov/LetUsHelp for the topics people ask about most. If you still need help, TACs provide tax help when a tax issue can’t be handled online or by phone. All TACs now provide service by appointment, so you’ll know in advance that you can get the service you need without long wait times. Before you visit, go to IRS.gov/TACLocator to find the nearest TAC and to check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on “Local Offices.”

The Taxpayer Advocate Service (TAS) Is Here To Help You

What Is TAS?
TAS is an independent organization within the IRS that helps taxpayers and protects taxpayer rights. TAS strives to ensure that every taxpayer is treated fairly and that you know and understand your rights under the Taxpayer Bill of Rights.

How Can You Learn About Your Taxpayer Rights?
The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to TaxpayerAdvocate.IRS.gov to help you understand what these rights mean to you and how they apply. These are your rights. Know them. Use them.

What Can TAS Do for You?
TAS can help you resolve problems that you can’t resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:
- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You’ve tried repeatedly to contact the IRS but no one has responded, or the IRS hasn’t responded by the date promised.

How Can You Reach TAS?
TAS has offices in every state, the District of Columbia, and Puerto Rico. To find your advocate’s number:
- Go to TaxpayerAdvocate.IRS.gov/Contact-Us;
- Call the IRS toll free at 800-TAX-FORM (800-829-3676) to order a copy of Pub. 1546;
- Check your local directory; or
- Call TAS toll free at 877-777-4778.

How Else Does TAS Help Taxpayers?
TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, report it to TAS at IRS.gov/SAMS. Be sure to not include any personal taxpayer information.

Low Income Taxpayer Clinics (LITCs)
LITCs are independent from the IRS and TAS. LITCs represent individuals whose income is below a certain level and who need to resolve tax problems with the IRS. LITCs can represent taxpayers in audits, appeals, and tax collection disputes before the IRS and in court. In addition, LITCs can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. For more information or to find an LITC near you, go to the LITC page at TaxpayerAdvocate.IRS.gov/LITC or see IRS Pub. 4134, Low Income Taxpayer Clinic List, at IRS.gov/pub/irs-pdf/4134.pdf.

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Publication 561 (2-2024)
To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.

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Charitable Contributions

For use in preparing 2023 Returns

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Future Developments

For the latest information about developments related to Pub. 526 (such as legislation enacted after we release it), go to IRS.gov/Pub526.

What's New

Disallowance of deduction for certain conservation contributions by pass-through entities. Subject to some exceptions, if you are a member of a pass-through entity (such as a partner in a partnership or a shareholder in an S corporation), and the amount of the pass-through entity's qualified conservation contribution exceeds 2.5 times the sum of each member's relevant basis, the contribution is not treated as a qualified conservation contribution and no one may claim a deduction for the contribution. Thus, your charitable conservation contribution deduction is disallowed. See Disallowance of deductions for certain conservation contributions by pass-through entities later.

Qualified charitable distribution one-time election. Beginning in 2023, you can elect to make a one-time distribution up to $50,000 from an individual retirement account to charities through a charitable remainder annuity trust, a charitable remainder unitrust, or a charitable gift annuity each of which is funded only by qualified charitable distributions. See Pub. 590-B for more information.

Get forms and other information faster and easier at:
- IRS.gov (English)
- IRS.gov/Spanish (Español)
- IRS.gov/Chinese (중문)
- IRS.gov/Korean (한국어)
- IRS.gov/Russian (Русский)
- IRS.gov/Vietnamese (Tiếng Việt)
Reminders
Charitable contributions for non-itemizers. The temporary deduction for charitable cash contributions for taxpayers who do not itemize their tax returns has expired and is no longer available.

Deduction over $5,000. You must complete Section B of Form 8283 for each item—or group of similar non-cash items—for which you claim a deduction of over $5,000 except as provided in Deductions Over $5,000, later. The organization that received the property must complete and sign Part V of Section B, Form 8283.

Reduced deductibility of state and local tax credits. If you make a payment or transfer property to or for the use of a qualified organization and you receive or expect to receive a state or local tax credit or a state or local tax deduction in return, your charitable contribution deduction may be reduced. See State or local tax credit, later.

Photographs of missing children. The IRS is a proud partner with the National Center for Missing & Exploited Children® (NCMEC). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 800-THE-LOST (800-843-5678) or visiting www.missingkids.org if you recognize a child.

Introduction
This publication explains how individuals claim a deduction for charitable contributions. It discusses the types of organizations to which you can make deductible charitable contributions and the types of contributions you can deduct. It also discusses how much you can deduct, what records you must keep, and how to report charitable contributions.

A charitable contribution is a donation or gift to, or for the use of, a qualified organization. It is voluntary and is made without getting, or expecting to get, anything of equal value.

Qualified organizations. Qualified organizations include nonprofit groups that are religious, charitable, educational, scientific, or literary in purpose, or that work to prevent cruelty to children or animals. You will find descriptions of these organizations under Organizations That Qualify To Receive Deductible Contributions.

Schedule A (Form 1040) required. Generally, to deduct a charitable contribution, you must itemize deductions on Schedule A (Form 1040). The amount of your deduction may be limited if certain rules and limits explained in this publication apply to you.

Comments and suggestions. We welcome your comments about this publication and suggestions for future editions.

You can send us comments through IRS.gov/FormComments. Or, you can write to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224.

Although we can’t respond individually to each comment received, we do appreciate your feedback and will consider your comments and suggestions as we revise our tax forms, instructions, and publications. Don’t send tax questions, tax returns, or payments to the above address.

Getting answers to your tax questions. If you have a tax question not answered by this publication or the How To Get Tax Help section at the end of this publication, go to the IRS Interactive Tax Assistant page at IRS.gov/Help/ITA where you can find topics by using the search feature or viewing the categories listed.

Getting tax forms, instructions, and publications. Go to IRS.gov/Forms to download current and prior-year forms, instructions, and publications.

Ordering tax forms, instructions, and publications. Go to IRS.gov/Forms to order current forms, instructions, and publications; call 800–829–3676 to order prior-year forms and instructions. The IRS will process your order for forms and publications as soon as possible. Don’t resubmit requests you’ve already sent us. You can get forms and publications faster online.

Useful Items
You may want to see:

- Publication
  - 561 Determining the Value of Donated Property
  - 976 Disaster Relief
- Forms (and Instructions)
  - Schedule A (Form 1040) Itemized Deductions
  - 8283 Noncash Charitable Contributions

See How To Get Tax Help near the end of this publication for information about getting these publications and forms.

Organizations That Qualify To Receive Deductible Contributions
You can deduct your contributions only if you make them to a qualified organization.

How to check whether an organization can receive deductible charitable contributions. You can ask any organization whether it is a qualified organization. You can deduct your contribution, as explained later under Organizations That Qualify To Receive Deductible Contributions.

Examples. The following list gives some examples of qualified organizations.

- Churches, a convention or association of churches, temples, synagogues, mosques, and other religious organizations.
- Most nonprofit charitable organizations such as the American Red Cross and the United Way.
- Most nonprofit educational organizations, including the Scouts BSA, Girl Scouts of America, colleges, and museums. This also includes nonprofit daycare centers that provide childcare to the general public if substantially all the childcare is provided to enable parents and guardians to be gainfully employed. However, if your contribution is a substitute for tuition or other enrollment fee, it isn’t deductible as a charitable contribution, as explained later under Contributions You Can’t Deduct.

Types of Qualified Organizations
Generally, only the following types of organizations can be qualified organizations.

1. A community chest, corporation, trust, fund, or foundation organized or created in or under the laws of the United States, any state, the District of Columbia, or any possession of the United States (including Puerto Rico). It must, however, be organized and operated only for charitable, religious, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Certain organizations that foster national or international amateur sports competition also qualify.

2. War veterans’ organizations, including how can’t respond individually to each comment received, we do appreciate your
Contributions From Which You Benefit

If you receive a benefit as a result of making a contribution to a qualified organization, you can deduct only the amount of your contribution that is more than the value of the benefit you receive. Also see Contributions From Which You Benefit under Contributions You Can't Deduct, later.

If you pay more than FMV to a qualified organization for goods or services, the excess may be a charitable contribution. For the excess amount to qualify, you must pay it with the intent to make a charitable contribution.

Example 1. You pay $65 for a ticket to a dinner dance at a church. Your entire $65 payment goes to the church. The ticket to the dinner dance has an FMV of $25. When you buy your ticket, you know its value is less than your payment. To figure the amount of your charitable contribution, subtract the value of the benefit you receive ($25) from your total payment ($65). You can deduct $40 as a charitable contribution to the church.

Example 2. At a fundraising auction conducted by a charity, you pay $600 for a week's stay at a beach house. The amount you pay is no more than the fair rental value. You haven't made a deductible charitable contribution.

Charity benefit events. If you pay a qualified organization more than FMV for the right to attend a charity ball, banquet, show, sporting event, or other benefit event, you can deduct only the amount that is more than the value of the privileges or other benefits you receive.

If there is an established charge for the event, that charge is the value of your benefit. If there is no established charge, the reasonable value of the right to attend the event is the value of your benefit. Whether you use the tickets or other privileges has no effect on the amount you can deduct. However, if you return the ticket to the qualified organization for resale, you can deduct the entire amount you paid for the ticket.

Even if the ticket or other evidence of payment indicates that the payment is a “contribution,” this doesn't mean you can deduct the entire amount. If the ticket shows the price of admission and the amount of the contribution, you can deduct the contribution amount.

Example. You pay $40 to see a special showing of a movie for the benefit of a qualified organization. Printed on the ticket is “Contribution—$40.” If the regular price for the movie is $8, your contribution is $32 ($40 payment – $8 regular price).

State or local tax credit. If you make a payment or transfer property to or for the use of a qualified organization and receive or expect to receive a state or local tax credit in return, then the amount treated as a charitable contribution deduction is reduced by the amount of the state or local tax credit you receive or expect to receive in consideration for your payment or transfer, but an exception may apply. If an exception doesn’t apply, you must reduce your charitable contribution deduction even if you can’t claim the state tax credit in the year.

Exception. If the state or local tax credit you receive or expect to receive doesn’t exceed 15% of your payment amount or 15% of the

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Table 1. Examples of Charitable Contributions—A Quick Check

Use the following lists for a quick check of whether you can deduct a contribution. See the rest of this publication for more information and additional rules and limits that may apply.

<table>
<thead>
<tr>
<th>Deductible As Charitable Contributions</th>
<th>Not Deductible As Charitable Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money or property you give to:</td>
<td>Money or property you give to:</td>
</tr>
<tr>
<td>• Churches, synagogues, temples, mosques, and other religious organizations</td>
<td>• Civic leagues, social and sports clubs, labor unions, and chambers of commerce</td>
</tr>
<tr>
<td>• Federal, state, and local governments, if your contribution is solely for public purposes (for example, a gift to reduce the public debt or maintain a public park)</td>
<td>• Foreign organizations (except certain Canadian, Israeli, and Mexican charities)</td>
</tr>
<tr>
<td>• Nonprofit schools and hospitals</td>
<td>• Groups that are run for personal profit</td>
</tr>
<tr>
<td>• The Salvation Army, American Red Cross, CARE, Goodwill Industries, United Way, Scouts BSA, Girl Scouts of America, Boys and Girls Clubs of America, etc.</td>
<td>• Groups whose purpose is to lobby for law changes</td>
</tr>
<tr>
<td>• War veterans’ groups</td>
<td>• Homeowners’ associations</td>
</tr>
<tr>
<td>Expenses paid for a student living with you, sponsored by a qualified organization</td>
<td>• Individuals</td>
</tr>
<tr>
<td>Out-of-pocket expenses when you serve a qualified organization as a volunteer</td>
<td>• Political groups or candidates for public office</td>
</tr>
<tr>
<td>Cost of raffle, bingo, or lottery tickets</td>
<td></td>
</tr>
</tbody>
</table>
FMV of the transferred property, then your charitable contribution deduction isn’t reduced.

**Example 1.** You make a cash contribution of $1,000 to charity X, a qualified organization. In return for your payment you receive or expect to receive a state tax credit of 70% of your $1,000 contribution. The amount of your charitable contribution to charity X is reduced by $700 (70% of $1,000). The result is your charitable contribution deduction to charity X can’t exceed $300 ($1,000 donation−$700 state tax credit). The reduction applies even if you can’t claim the state tax credit for that year. Your deductible charitable contribution to charity X is $300. Your total contributions may still be subject to limitations. See **Limits on Deductions,** later.

**Example 2.** You donate a painting to charity Y, a qualified organization. At the time of the donation, the painting has an FMV of $100,000. In return for the painting, you receive or expect to receive a state tax credit of 10% of the FMV of the painting. The state tax credit is $10,000 (10% of $100,000). The amount of your state tax credit does not exceed 15% of the FMV of the painting. As a result, your charitable contribution deduction to charity Y is not reduced. Your deductible charitable contribution for your noncash contribution to charity Y is $100,000. However, your total contributions may still be subject to limitations. See **Limits on Deductions,** later.

**State or local tax deduction.** If you make a payment or transfer property to a qualified organization and receive or expect to receive a state or local tax deduction in return, then the amount of your charitable contribution deduction to the organization may be reduced in some circumstances. If the amount of the state or local tax deduction exceeds the amount of your cash contribution or the FMV of the transferred property, then your charitable contribution deduction is reduced. However, if the amount of the state or local tax deduction doesn’t exceed the amount of your payment or the FMV of the transferred property, then no reduction is necessary.

**Example 1.** You make a cash contribution of $1,000 to charity Z, a qualified organization. Under state law, you are entitled to receive a state tax deduction of $1,000 in return for your payment. The amount of your charitable contribution deduction to charity Z isn’t reduced. Your charitable contribution deduction to charity Z is $1,000. However, your total contributions may still be subject to limitations. See **Limits on Deductions,** later.

**Membership fees or dues.** You may be able to deduct membership fees or dues you pay to a qualified organization. However, you can deduct only the amount that is more than the value of the benefits you receive.

You can’t deduct dues, fees, or assessments paid to country clubs and other social organizations. They aren’t qualified organizations.

**Certain membership benefits can be disregarded.** Both you and the organization can disregard the following membership benefits if you get them in return for an annual payment of $75 or less.

1. Any rights or privileges that you can use frequently while you are a member, such as:
   a. Free or discounted admission to the organization’s facilities or events,
   b. Free or discounted parking,
   c. Preferred access to goods or services, and
   d. Discounts on the purchase of goods and services.

   But, item (1) doesn’t include rights to purchase tickets for seating at an athletic event in an athletic stadium of a college or university as a result of a contribution to such institution.

2. Admission, while you are a member, to events open only to members of the organization if the organization reasonably projects that the cost per person (excluding any allocated overhead) isn’t more than $12.50.

**Token items.** You don’t have to reduce your contribution by the value of any benefit you receive it both of the following are true.

1. You receive only a small item or other benefit of token value.

2. The qualified organization correctly determines that the value of the item or benefit you received isn’t substantial and informs you that you can deduct your payment in full.

The organization determines whether the value of an item or benefit is substantial by using Revenue Procedures 90-12 and 92-49 and the inflation adjustment in Revenue Procedure 2022-38.

**Written statement.** A qualified organization must give you a written statement if you make a payment of more than $75 that is partly a contribution and partly for goods or services. The statement must say you can deduct only the amount of your payment that is more than the value of the goods or services you received. It must also give you a good faith estimate of the value of those goods or services.

The organization can give you the statement either when it solicits or when it receives the payment from you.

**Exception.** An organization won’t have to give you a statement if one of the following is true.

1. The organization is:
   a. A governmental organization described in (5) under **Types of Qualified Organizations,** earlier, or
   b. An organization formed only for religious purposes, and the only benefit you receive is an intangible religious benefit (such as admission to a religious ceremony) that generally isn’t sold in commercial transactions outside the donorative context.

2. You receive only items whose value isn’t substantial, as described under **Token items,** earlier.

3. You receive only membership benefits that can be disregarded, as described under **Membership fees or dues,** earlier.

**Expenses Paid for Student Living With You**

You may be able to deduct some expenses of having a student live with you. You can deduct qualifying expenses for a foreign or American student who:

1. Lives in your home under a written agreement between you and a qualified organization (defined later) as part of a program of the organization to provide educational opportunities for the student,
2. Isn’t your relative (defined later) or dependent (also defined later), and
3. Is a full-time student in the 12th or any lower grade at a school in the United States.

You can deduct up to $50 a month for each full calendar month the student lives with you. Any month when conditions (1) through (3) are met for 15 or more days counts as a full month.

**Qualified organization.** For these purposes, a qualified organization can be any of the organizations described earlier under **Types of Qualified Organizations,** except those in (4) and (5). For example, if you are providing a home for a student as part of a state or local government program, you can’t deduct your expenses as charitable contributions. But see **Foster parents** under **Out-of-Pocket Expenses in Giving Services,** later, if you provide the home as a foster parent.

**Relative.** The term “relative” means any of the following persons.

- Your child, stepchild, foster child, or a descendant of any of them (for example, your grandchild). A legally adopted child is considered your child.
- Your sibling(s), half sibling(s), or step-sibling(s).
- Your parent(s), grandparent(s), or other direct ancestor(s).
- Your step-parent(s).
- A child of your sibling(s).
- A sibling of your parent(s).
- The spouse of your child, the parent(s) of your spouse, the sibling(s) of your spouse.

**Dependent.** For this purpose, the term “dependent” means:

1. A person you can claim as a dependent, or
2. A person you could have claimed as a dependent except that:
   a. The person received gross income of $4,700 or more;
   b. The person filed a joint return; or
Table 2. Volunteers’ Questions and Answers

If you volunteer for a qualified organization, the following questions and answers may apply to you. All of the rules explained in this publication also apply. See, in particular, Out-of-Pocket Expenses in Giving Services.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>I volunteer 6 hours a week in the office of a qualified organization. The receptionist is paid $10 an hour for the same work. Can I deduct $60 a week for my time?</td>
<td>No, you can't deduct the value of your time or services. Yes, you can deduct the costs of gas and oil that are directly related to getting to and from the place where you volunteer. If you don't want to figure your actual costs, you can deduct 14 cents for each mile.</td>
</tr>
<tr>
<td>The office is 30 miles from my home. Can I deduct any of my car expenses for these trips?</td>
<td>Yes, you can deduct the cost of buying and cleaning your uniforms if the hospital is a qualified organization, the uniforms aren't suitable for everyday use, and you must wear them when volunteering.</td>
</tr>
<tr>
<td>I volunteer as a Red Cross nurse's aide at a hospital. Can I deduct the cost of the uniforms I must wear?</td>
<td>Yes, you can deduct the cost of the uniforms I must wear.</td>
</tr>
<tr>
<td>I pay a babysitter to watch my children while I volunteer for a qualified organization. Can I deduct these costs?</td>
<td>No, you can't deduct payments for childcare expenses as a charitable contribution, even if you would be unable to volunteer without childcare. (If you have childcare expenses so you can work for pay, see Pub. 503, Child and Dependent Care Expenses.)</td>
</tr>
</tbody>
</table>

Qualifying expenses. You may be able to deduct the cost of books, tuition, food, clothing, transportation, medical and dental care, entertainment, and other amounts you actually spend for the well-being of the student.

Expenses that don't qualify. You can't deduct depreciation on your home, the FMV of lodging, and similar items not considered amounts actually spent by you. Nor can you deduct general household expenses, such as taxes, insurance, and repairs.

Reimbursement expenses. In most cases, you can't claim a charitable contribution deduction if you are compensated or reimbursed for any part of the costs of having a student live with you. However, you may be able to claim a charitable contribution deduction for the unreimbursed portion of your expenses if you are reimbursed only for an extraordinary or one-time item, such as a hospital bill or vacation trip, you paid in advance at the request of the student's parents or the sponsoring organization.

Mutual exchange program. You can't deduct the costs of a foreign student living in your home under a mutual exchange program through which your child will live with a family in a foreign country.

Reporting expenses. For a list of what you must file with your return if you deduct expenses for a student living with you, see Reporting expenses for student living with you under How To Report, later.

Out-of-Pocket Expenses in Giving Services

Although you can't deduct the value of your services given to a qualified organization, you may be able to deduct some amounts you pay in giving services to a qualified organization. The amounts must be:
- Unreimbursed;
- Directly connected with the services;
- Expenses you had only because of the services you gave; and
- Not personal, living, or family expenses.

Table 2 contains questions and answers that apply to some individuals who volunteer their services.

Underprivileged youths selected by charity. You can deduct reasonable unreimbursed out-of-pocket expenses you pay to allow underprivileged youths to attend athletic events, movies, or dinners. The youths must be selected by a charitable organization whose goal is to reduce juvenile delinquency. Your own similar expenses in accompanying the youths aren't deductible.

Conventions. If a qualified organization selects you to attend a convention as its representative, you can deduct your unreimbursed expenses for travel, including reasonable amounts for meals and lodging, while away from home overnight for the convention. However, see Travel, later.

You can't deduct personal expenses for sightseeing, fishing parties, theater tickets, or nightclub. You also can't deduct travel, meals and lodging, and other expenses for your spouse or children.

You can't deduct your travel expenses in attending a church convention if you go only as a member of your church rather than as a chosen representative. You can, however, deduct unreimbursed expenses that are directly connected with giving services for your church during the convention.

Uniforms. You can deduct the cost and upkeep of uniforms that aren't suitable for everyday use and that you must wear while performing donated services for a qualified organization.

Foster parents. You may be able to deduct as a charitable contribution some of the costs of being a foster parent (foster care provider) if you have no profit motive in providing the foster care and aren't, in fact, making a profit. A qualified organization must select the individuals you take into your home for foster care.

You can deduct expenses that meet both of the following requirements.
1. They are unreimbursed out-of-pocket expenses to feed, clothe, and care for the foster child.
2. They are incurred primarily to benefit the qualified organization.

Unreimbursed expenses that you can't deduct as charitable contributions may be considered support provided by you in determining whether you can claim the foster child as a dependent. For details, see Pub. 501, Dependents, Standard Deduction, and Filing Information.

Example. You cared for a foster child because you wanted to adopt her, not to benefit the agency that placed her in your home. Your unreimbursed expenses aren't deductible as charitable contributions.

Church deacon. You can deduct as a charitable contribution any unreimbursed expenses you have while in a permanent diaconate program established by your church. These expenses include the cost of vestments, books, and transportation required in order to serve in the program as either a deacon candidate or an ordained deacon.

Car expenses. You can deduct as a charitable contribution any unreimbursed out-of-pocket expenses, such as the cost of gas and oil, directly related to the use of your car in giving services to a charitable organization. You can deduct general repair and maintenance expenses, depreciation, registration fees, or the costs of tires or insurance.

If you don't want to deduct your actual expenses, you can use a standard mileage rate of 14 cents a mile to figure your contribution.

You can deduct parking fees and tolls whether you use your actual expenses or the standard mileage rate.

You must keep reliable written records of your car expenses. For more information, see Car expenses under Substantiation Requirements, later.
Travel. Generally, you can claim a charitable contribution deduction for travel expenses necessarily incurred while you are away from home performing services for a qualified organization only if there is no significant element of personal pleasure, recreation, or vacation in the travel. This applies whether you pay the expenses directly or indirectly. You are paying the expenses indirectly if you make a payment to the qualified organization and the organization pays for your travel expenses.

The deduction for travel expenses won't be denied simply because you enjoy providing services to the qualified organization. Even if you enjoy the trip, you can take a charitable contribution deduction for your travel expenses if you are on duty in a genuine and substantial sense throughout the trip. However, if you have only nominal duties, or if for significant parts of the trip you don't have any duties, you can't deduct your travel expenses.

Example 1. You are a troop leader for a tax-exempt youth group and you take the group on a camping trip. You are responsible for overseeing the setup of the camp and for providing adult supervision for other activities during the entire trip. You participate in the activities of the group and enjoy your time with them. You oversee the breaking of camp and you transport the group home. You can deduct your travel expenses.

Example 2. You sail from one island to another and spend 8 hours a day counting whales and other forms of marine life. The project is sponsored by a qualified organization. In most circumstances, you can't deduct your expenses.

Example 3. You work for several hours each morning on an archeological dig sponsored by a qualified organization. The rest of the day is free for recreation and sightseeing. You can't take a charitable contribution deduction even though you work very hard during those few hours.

Example 4. You spend the entire day attending a qualified organization's regional meeting as a chosen representative. In the evening you go to the theater. You can claim your travel expenses as charitable contributions, but you can't claim the cost of your evening at the theater.

Daily allowance (per diem). If you provide services for a qualified organization and receive a daily allowance to cover reasonable travel expenses, including meals and lodging while away from home overnight, you must include in income any part of the allowance that is more than your deductible travel expenses. You may be able to deduct any necessary travel expenses that are more than the allowance.

Deductible travel expenses. These include:
- Air, rail, and bus transportation;
- Out-of-pocket expenses for your car;
- Taxi fares or other costs of transportation between the airport or station and your hotel;
- Lodging costs; and
- The cost of meals.

Because these travel expenses aren't business-related, they aren't subject to the same limits as business-related expenses. For information on business travel expenses, see Travel in Pub. 463, Travel, Gift, and Car Expenses.

Expenses of Whaling Captains
You may be able to deduct as a charitable contribution any reasonable and necessary whaling expenses you pay during the year to carry out sanctioned whaling activities. The deduction is limited to $10,000 a year. To claim the deduction, you must be recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities.

Sanctioned whaling activities are subsistence bowhead whale hunting activities conducted under the management plan of the Alaska Eskimo Whaling Commission.

Whaling expenses include expenses for:
- Acquiring and maintaining whaling boats, weapons, and gear used in sanctioned whaling activities;
- Supplying food for the crew and other provisions for carrying out these activities; and
- Storing and distributing the catch from these activities.


Contributions You Can't Deduct
There are some contributions you can't deduct and others you can deduct only in part.

- You can't deduct as a charitable contribution:
  1. A contribution to a specific individual,
  2. A contribution to a nonqualified organization,
  3. The part of a contribution from which you receive or expect to receive a benefit,
  4. The value of your time or services,
  5. Your personal expenses,
  6. A qualified charitable distribution from an individual retirement arrangement (IRA),
  7. Appraisal fees,
  8. Certain contributions to donor-advised funds,
  9. Certain contributions of partial interests in property,
  10. Certain conservation contributions by pass-through entities.

Detailed discussions of these items follow.

Contributions to Individuals
You can't deduct contributions to specific individuals, including the following.
- Contributions to fraternal societies made for the purpose of paying medical or burial expenses of members.
- Contributions to individuals who are needy or worthy. You can't deduct these contributions even if you make them to a qualified organization for the benefit of a specific person. But you can deduct a contribution to a qualified organization that helps needy or worthy individuals if you don't indicate that your contribution is for a specific person.

Example. You can deduct contributions to a qualified organization for flood relief, hurricane relief, or other disaster relief. However, you can't deduct contributions earmarked for relief of a particular individual or family.
- Payments to a member of the clergy that can be spent as they wish, such as for personal expenses.
- Expenses you paid for another person who provided services to a qualified organization.

Example. Your child does missionary work. You pay their expenses. You can't claim a deduction for the expenses you paid related to their contribution of services.
- Payments to a hospital that are for a specific patient's care or for services for a specific patient. You can't deduct these payments even if the hospital is operated by a city, state, or other qualified organization.

Contributions to Nonqualified Organizations
You can't deduct contributions to organizations that aren't qualified to receive tax-deductible contributions, including the following.

1. Certain state bar associations if:
   a. The bar isn't a political subdivision of a state;
   b. The bar has private, as well as public, purposes, such as promoting the professional interests of members; and
   c. Your contribution is unrestricted and can be used for private purposes.
2. Chambers of commerce and other business leagues or organizations.
3. Civic leagues and associations.
4. Country clubs and other social clubs.
5. Foreign organizations other than certain Canadian, Israeli, or Mexican charitable organizations. (See Canadian charities, Mexican charities, and Israeli charities under Organizations That Qualify To Receive Deductible Contributions, earlier.) Also, you can't deduct a contribution you made to any qualifying organization if the contribution is earmarked to go to a foreign organization. However, certain contributions to a qualified organization for use in a program conducted by a foreign charity may
be deductible as long as they aren’t ear-marked to go to the foreign charity. For the contribution to be deductible, the qualified organization must approve the program as furthering its own exempt purposes and must keep control over the use of the contributed funds. The contribution is also deductible if the foreign charity is only an administrate arm of the qualified organization.

6. Homeowners’ associations.
7. Labor unions.
8. Political organizations and candidates.

Contributions From Which You Benefit

If you receive or expect to receive a financial or economic benefit as a result of making a contribution to a qualified organization, you can’t deduct the part of the contribution that represents the value of the benefit you receive. See Contributions From Which You Benefit under Contributions You Can Deduct, earlier. These contributions include the following.

- Contributions to a college or university if the amount paid is to (or for the benefit of) a college or university in exchange for tickets (or the right to buy tickets) to an athletic event in an athletic stadium of the college or university.
- Contributions from which you receive or expect to receive a credit or deduction against state or local taxes unless an exception applies. See State or local tax credit and State or local tax deduction, earlier.
- Contributions for lobbying. This includes amounts you earmark for use in, or in connection with, influencing specific legislation.
- Contributions to a retirement home for room, board, maintenance, or admittance. Also, if the amount of your contribution depends on the type or size of apartment you will occupy, it isn’t a charitable contribution.
- Costs of raffles, bingo, lottery, etc. You can’t deduct as a charitable contribution amounts you pay to buy raffle or lottery tickets or to play bingo or other games of chance. For information on how to report gambling winnings and losses, see Expenses You Can Deduct in Pub. 529.
- Dues to fraternal orders and similar groups. However, see Membership fees or dues under Contributions From Which You Benefit, earlier.
- Tuition, or amounts you pay instead of tuition. You can’t deduct as a charitable contribution amounts you pay as tuition even if you pay them for children to attend parochial schools or qualifying nonprofit day-care centers. You also can’t deduct any fixed amount you must pay in addition to, or instead of, tuition to enroll in a private school, even if it is designated as a “donation.”
- Contributions connected with split-dollar insurance arrangements. You can’t deduct any part of a contribution to a qualified organization if, in connection with the contribution, the organization directly or indirectly pays, has paid, or is expected to pay any premium on any life insurance, annuity, or endowment contract for which you, any member of your family, or any other person chosen by you (other than a qualified charitable organization) is a beneficiary.

Example. You donate money to a qualified organization. The charity uses the money to purchase a cash value life insurance policy. The beneficiaries under the insurance policy include members of your family. Even though the charity may eventually get some benefit out of the insurance policy, you can’t deduct any part of the donation.

Qualified Charitable Distributions

A qualified charitable distribution (QCD) is a distribution made directly by the trustee of your individual retirement arrangement (IRA), other than an SEP or SIMPLE IRA, to certain qualified organizations. You must have been at least age 70 1/2 when the distribution was made. Your total QCDs for the year can’t be more than $100,000. If all the requirements are met, a QCD may be nontaxable; however, if the QCD is nontaxable, you may not be able to claim it as a charitable contribution deduction. You may be able to claim a charitable contribution deduction if you claim the income you are deducting as a qualified contribution. See Pub. 590-B, Distributions from Individual Retirement Arrangements (IRAs), for more information about QCDs.

Qualified charitable distribution one-time election. For tax years beginning after 2022, you can elect to make a one-time distribution of up to $50,000 from an individual retirement account. This one-time distribution may be made through a charitable remainder trust, a charitable remainder unitrust, or a charitable gift annuity funded only by qualified charitable distributions.

Value of Time or Services

You can’t deduct the value of your time or services, including:

- Blood donations to the American Red Cross or to blood banks, and
- The value of income lost while you work as an unpaid volunteer for a qualified organization.

Personal Expenses

You can’t deduct personal, living, or family expenses, such as the following items.

- The cost of meals you eat while you perform services for a qualified organization, unless it is necessary for you to be away from home overnight while performing the services.
- Adoption expenses, including fees paid to an adoption agency and the costs of keeping a child in your home before the adoption is final. However, you may be able to claim a tax credit for these expenses. Also, you may be able to exclude from your gross income amounts paid or reimbursed by your employer for your adoption expenses. See Form 8839, Qualified Adoption Expenses, and its instructions, for more information.

Appraisal Fees

You can’t deduct as a charitable contribution any fees you pay to find the FMV of donated property.

Contributions to Donor-Advised Funds

You can’t deduct a contribution to a donor-advised fund if:

- The qualified organization that sponsors the fund is a war veterans’ organization, a fraternal society, or a nonprofit cemetery company; or
- You don’t have an acknowledgment from that sponsoring organization that it has exclusive legal control over the assets contributed.

There are also other circumstances in which you can’t deduct your contribution to a donor-advised fund.

Generally, a donor-advised fund is a fund or account in which a donor can, because of being a donor, advise the fund how to distribute or invest amounts held in the fund. For details, see Internal Revenue Code section 170(f)(18).

Partial Interest in Property

Generally, you can’t deduct a contribution of less than your entire interest in property. For details, see Partial Interest in Property under Contributions of Property, later.

Contributions of Property

If you contribute property to a qualified organization, the amount of your charitable contribution is generally the FMV of the property at the time of the contribution. However, if the property has increased in value, you may have to make some adjustments to the amount of your deduction. See Giving Property That Has Increased in Value, later.

For information about the records you must keep and the information you must furnish with your return if you donate property, see Substan- tiation Requirements and How To Report, later.

Contributions Subject to Special Rules

Special rules apply if you contribute:

- Clothing or household items;
- A car, boat, or airplane;
- Taxidermy property;
- Property subject to a debt;
- A partial interest in property;
- A fractional interest in tangible personal property;
Cars, Boats, and Airplanes

A qualified vehicle with a claimed FMV of more than $500, you can deduct your contribution. You must get Form 1098-C (or other statement) within 30 days of the sale of the vehicle. But if Exception 1 or 2 (described later) applies, you must get Form 1098-C (or other statement) within 30 days of your donation.

Filing deadline approaching and still no Form 1098-C. If the filing deadline is approaching and you still don’t have a Form 1098-C, you have two choices:

1. Request an automatic 6-month extension of time to file your return. You can get this extension by filing Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return. For more information, see the Instructions for Form 4868.
2. File the return on time without claiming the deduction for the qualified vehicle. After receiving the Form 1098-C, file an amended return, Form 1040-X, Amended U.S. Individual Income Tax Return, claiming the deduction. Attach Copy B of Form 1098-C (or other statement) to the amended return.

Exceptions. There are two exceptions to the rules just described for deductions of more than $500.

Exception 1 — Vehicle used or improved by organization. If the qualified organization makes a significant intervening use of, or material improvement to, the vehicle before transferring it, you can generally deduct the vehicle's FMV at the time of the contribution. But if the vehicle's FMV was more than your cost or other basis, you may have to reduce the FMV to get the deductible amount, as described under Giving Property That Has Increased in Value, later. The Form 1098-C (or other statement) will show whether this exception applies.

Example. You donate a used car to a qualified organization. You bought it 3 years ago for $9,000. A used car guide shows the FMV for this type of car is $6,000. However, you get a Form 1098-C from the organization showing the car was sold for $2,900. Neither Exception 1 nor Exception 2 applies. If you itemize your deductions, you can deduct $2,900 for the donation. You must attach Form 1098-C and Form 8283, Noncash Charitable Contributions, to your tax return.

Deduction $500 or less. If the qualified organization sells the vehicle for $500 or less and Exceptions 1 and 2 don't apply, you can deduct the smaller of:

- $500, or
- The vehicle's FMV on the date of the contribution. But if the vehicle's FMV was more than your cost or other basis, you may have to reduce the FMV to get the deductible amount, as described under Giving Property That Has Increased in Value, later.

If the vehicle's FMV is at least $250 but not more than $500, you must have a written statement from the qualified organization acknowledging your donation. The statement must contain the information and meet the tests for an acknowledgment described under Deductions of at Least $250 but Not More Than $500 under Substantiation Requirements, later.

FMV. To determine a vehicle's FMV, use the rules described under Determining FMV, later.

Deduction more than $500. If you donate a qualified vehicle with a claimed FMV of more than $500, you can deduct the smaller of:

- The gross proceeds from the sale of the vehicle by the organization, or
- The vehicle's FMV on the date of the contribution. If the vehicle's FMV was more than your cost or other basis, you may have to reduce the FMV to figure the deductible amount, as described under Giving Property That Has Increased in Value, later.

Form 1098-C. You must attach to your return Copy B of the Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes, (or other statement containing the same information as Form 1098-C) you received from the organization. The Form 1098-C (or other statement) will show the gross proceeds from the sale of the vehicle.

Clothing and Household Items

You can't take a deduction for clothing or household items you donate unless the clothing or household items are in good used condition or better.

Exception. You can take a deduction for a contribution of an item of clothing or a household item that isn’t in good used condition or better if you deduct more than $500 for it, and include a qualified appraisal prepared by a qualified appraiser and a completed Form 8283, Section B.

Household items. Household items include:

- Furniture and furnishings,
- Electronics,
- Appliances,
- Linens, and
- Other similar items.

Household items don’t include:

- Food;
- Paintings, antiques, and other objects of art;
- Jewelry and gems; and
- Collections.

To determine the FMV of these items, use the rules under Determining FMV, later.

Cars, Boats, and Airplanes

The following rules apply to any donation of a qualified vehicle.

A qualified vehicle is:

- A car or any motor vehicle manufactured primarily for use on public streets, roads, and highways;
- A boat; or
- An airplane.

Deduction more than $500. If you donate a qualified vehicle with a claimed FMV of more than $500, you can deduct the smaller of:

- The gross proceeds from the sale of the vehicle by the organization, or
- The vehicle's FMV on the date of the contribution. If the vehicle's FMV was more than your cost or other basis, you may have to reduce the FMV to figure the deductible amount, as described under Giving Property That Has Increased in Value, later.

FMV. To determine a vehicle's FMV, use the rules described under Determining FMV, later.

Deduction $500 or less. If the qualified organization sells the vehicle for $500 or less and Exceptions 1 and 2 don't apply, you can deduct the smaller of:

- $500, or
- The vehicle's FMV on the date of the contribution. But if the vehicle's FMV was more than your cost or other basis, you may have to reduce the FMV to get the deductible amount, as described under Giving Property That Has Increased in Value, later.

If the vehicle's FMV is at least $250 but not more than $500, you must have a written statement from the qualified organization acknowledging your donation. The statement must contain the information and meet the tests for an acknowledgment described under Deductions of at Least $250 but Not More Than $500 under Substantiation Requirements, later.

FMV. To determine a vehicle's FMV, use the rules described under Determining FMV, later.

Donations of inventory. The vehicle donation rules just described don't apply to donations of inventory. For example, these rules don't apply if you are a car dealer who donates a car you had been holding for sale to customers. See Inventory, later.

Taxidermy Property

If you donate taxidermy property to a qualified organization, your deduction is limited to your basis in the property or its FMV, whichever is less. This applies if you prepared, stuffed, or mounted the property or paid or incurred the cost of preparing, stuffing, or mounting the property.

Your basis for this purpose includes only the cost of preparing, stuffing, and mounting the property. Your basis doesn't include transportation or travel costs. It also doesn't include the direct or indirect costs for hunting or killing an animal, such as equipment costs. In addition, it doesn't include the value of your time.

Taxidermy property means any work of art that:

- Is the reproduction or preservation of an animal, in whole or in part;
- Is prepared, stuffed, or mounted to recreate one or more characteristics of the animal; and
- Contains a part of the body of the dead animal.

Property Subject to a Debt

If you contribute property subject to a debt (such as a mortgage), you must reduce the FMV of the property by:
1. Any allowable deduction for interest you paid (or will pay) that is attributable to any period after the contribution, and
2. If the property is a bond, the lesser of:
   a. Any allowable deduction for interest you paid (or will pay) to buy or carry the bond that is attributable to any period before the contribution; or
   b. The interest, including bond discount, receivable on the bond that is attributable to any period before the contribution, and that isn't includible in your income due to your accounting method.

This prevents you from deducting the same amount as both investment interest and a charitable contribution.

If the recipient (or another person) assumes the debt, you must also reduce the FMV of the property by the amount of the outstanding debt assumed.

The amount of the debt is also treated as an amount realized on the sale or exchange of property for purposes of figuring your taxable gain (if any). For more information, see Bargain Sales under Giving Property That Has Increased in Value, later.

Partial Interest in Property

Generally, you can't deduct a charitable contribution of less than your entire interest in property.

Right to use property. A contribution of the right to use property is a contribution of less than your entire interest in that property and isn't deductible.

Example 1. You own a 10-story office building and donate rent-free use of the top floor to a qualified organization. Because you still own the building, you have contributed a partial interest in the property and can't take a deduction for the contribution.

Example 2. You own a vacation home at the beach and sometimes rent it to others. For a fundraising auction at church, you donated the right to use the vacation home for 1 week. At the auction, the church received and accepted a bid equal to the fair rental value of the home for 1 week. You can't claim a deduction because of the partial interest rule. The auction winner can't claim a deduction either, because of the received benefit equal to the amount of the auction winner's payment. See Contributions From Which You Benefit, earlier.

Exceptions. You can deduct a charitable contribution of a partial interest in property only if that interest represents one of the following items.

- A remainder interest in your personal home or farm. A remainder interest is one that passes to a beneficiary after the end of an earlier interest in the property.
  
  Example. You keep the right to live in your home during your lifetime and give your church a remainder interest that begins upon your death. You can deduct the value of the remainder interest.
- An undivided part of your entire interest. This must consist of a part of every substantial interest or right you own in the property and must last as long as your interest in the property lasts. But see Fractional Interest in Tangible Personal Property, later.
  
  Example. You contribute voting stock to a qualified organization but keep the right to vote the stock. The right to vote is a substantial right in the stock. You haven't contributed an undivided part of your entire interest and can't deduct your contribution.
- A partial interest that would be deductible if transferred to certain types of trusts.
- A qualified conservation contribution (defined later).

For information about how to figure the value of a contribution of a partial interest in property, see Partial Interest in Property Not in Trust in Pub. 561.

Fractional Interest in Tangible Personal Property

You can't deduct a charitable contribution of a fractional interest in tangible personal property unless all interests in the property are held immediately before the contribution by:

- You, or
- You and the qualifying organization receiving the contribution.

If you make an additional contribution later, the FMV of that contribution will be determined by using the smaller of:

- The FMV of the property at the time of the initial contribution, or
- The FMV of the property at the time of the additional contribution.

Tangible personal property is defined later under Future Interest in Tangible Personal Property. A fractional interest in property is an undivided portion of your entire interest in the property.

Example. An undivided one-quarter interest in a painting that entitles an art museum to possession of the painting for 3 months of each year is a fractional interest in the property.

Recapture of deduction. You must recapture your charitable contribution deduction by including it in your income if both of the following statements are true.

1. You contributed a fractional interest in tangible personal property after August 17, 2006.
2. You don't contribute the rest of your interests in the property to the original recipient or, if it no longer exists, another qualified organization on or before the earlier of:
   a. The date that is 10 years after the date of the initial contribution, or
   b. The date of your death.

Recapture is also required if the qualified organization hasn't taken substantial physical possession of the property and used it in a way related to the organization's purpose during the period beginning on the date of the initial contribution and ending on the earlier of:

1. The date that is 10 years after the date of the initial contribution, or
2. The date of your death.

Additional tax. If you must recapture your deduction, you must also pay interest and an additional tax equal to 10% of the amount recaptured.

Qualified Conservation Contribution

A qualified conservation contribution is a contribution of a qualified real property interest to a qualified organization to be used only for conservation purposes.

Qualified organization. For purposes of a qualified conservation contribution, a qualified organization is:

- A governmental unit;
- A publicly supported charity; or
- An organization controlled by, and operated for the exclusive benefit of, a governmental unit or a publicly supported charity.

The organization must also have the resources to monitor and enforce the conservation easement or other conservation restrictions. To enable the organization to do this, it must have documents such as maps and photographs that establish the condition of the property at the time of donation.

A publicly supported charity is an organization of the type described in (1) under Types of Qualified Organizations, earlier, that normally receives a substantial part of its support, other than income from its exempt activities, from direct or indirect contributions from the general public or from governmental units.

Qualified real property interest. This is any of the following interests in real property.

1. Your entire interest in real estate other than a mineral interest (subsurface oil, gas, or other minerals, and the right of access to these minerals).
2. A remainder interest.
3. A restriction (granted in perpetuity) on the use that may be made of the real property, such as a conservation easement.

Conservation purposes. Your contribution must be made only for one of the following conservation purposes.

- Preserving land areas for outdoor recreation by, or for the education of, the general public.
- Protecting a relatively natural habitat of fish, wildlife, or plants, or a similar ecosystem.
- Preserving open space, including farmland and forest land, if it yields a significant public benefit. The open space must be preserved either for the scenic enjoyment of the general public or under a clearly
defined federal, state, or local government conservation policy.

- Preserving a historically important land area or a certified historic structure.

**Certified historic structures.** A certified historic structure is a building that is listed individually in the National Register of Historic Places (National Register building) or a building that is located in a registered historic district and has been certified by the Secretary of the Interior as contributing to the historic significance of that district (historically significant building). If the individual listing in the National Register of Historic Places consists of more than one building (e.g., a house, a garage, a mill complex, etc.), the Secretary of the Interior may have to certify which of the multiple buildings qualify as certified historic structures.

A registered historic district is any district listed in the National Register of Historic Places. A state or local historic district may also qualify as a registered historic district if the district and the enabling structures are certified by the Secretary of the Interior. You can claim a deduction for a qualified conservation contribution of a historically significant building. This contribution can take the form of a qualified real property interest that is an easement or other restriction on all or part of the exterior or interior of the building. You can claim a deduction for a qualified conservation contribution of a historically significant building. This contribution can take the form of a contribution of a qualified real property interest that is an easement or other restriction on all or part of the interior of the building. However, you cannot claim a deduction for a contribution of a qualified real property interest that is an easement or other restriction on the exterior of the building unless the easement or other restriction meets all of the following conditions:

1. The restriction must preserve the entire exterior of the building (including its front, sides, rear, and height) and must prohibit any change to the exterior of the building that is inconsistent with its historical character.
2. You and the organization receiving the contribution must enter into a written agreement certifying, under penalty of perjury, that the organization:
   a. Is a qualified organization with a purpose of environmental protection, land conservation, open space preservation, or historic preservation; and
   b. Has the resources to manage and enforce the restriction and a commitment to do so.
3. You must include with your return:
   a. Form 8283, completed as specified in the instructions to Form 8283;
   b. A signed **Qualified appraisal**, performed by a **Qualified appraiser**;
   c. Photographs of the building’s entire exterior;
   d. A description of all restrictions on development of the building, such as zoning laws and restrictive covenants; and
   e. The National Park Service project number (NPS #), if applicable. See the Form 8283 instructions for more information.

If you claim a deduction of more than $10,000 and donated an exterior restriction on a National Register building or historic district building, your donation won’t be allowed unless you pay a $500 filing fee. See Form 8283-V, Payment Voucher for Filing Fee Under Section 170(f)(13), and its instructions.

If you claimed the rehabilitation credit for a National Register building or historically significant building for any of the 5 years before the year of the qualified conservation contribution, your charitable deduction is reduced. For more information, see Form 4468, Investment Credit, and Internal Revenue Code section 170(f)(14).

For more information on how an NPS # applies to a certified historic structure, see **Easements on certified historic structures**, in the instructions for Form 8283.

**Disallowance of deductions for certain conservation contributions by pass-through entities.** Subject to three exceptions, if you are a member of a pass-through entity (such as a partner in a partnership or a shareholder in an S corporation) and the amount of a qualified conservation contribution by the pass-through entity exceeds 2.5 times the sum of each member’s relevant basis, the contribution is not treated as a qualified conservation contribution and no one may claim a deduction for the contribution. Thus, your charitable conservation contribution deduction is disallowed.

The pass-through entity must determine each member’s relevant basis. Relevant basis is, with respect to any member, the portion of the member’s modified basis in its interest in the pass-through entity which is allocable to the portion of the real property with respect to which the qualified conservation contribution is made. Modified basis is, with respect to any member, the adjusted basis in the member’s interest in the pass-through entity as determined:

1. immediately before the qualified conservation contribution;
2. without regard to the member’s share of any liabilities of the pass-through entity; and
3. by the pass-through entity after taking into account the adjustments described in items (1) and (2).

**Exceptions.** As before mentioned, there are three exceptions to this disallowance.

**Exception 1—Contribution outside three-year period.** This disallowance does not apply if the qualified conservation contribution is made at least three years after the latest of:

1. the last date on which the pass-through entity acquired any portion of the real property;
2. the last date any members of the pass-through entity acquired any interest in the pass-through entity; and
3. if the interest in the donating pass-through entity is held through one or more pass-through entities:

   a. the last date any such pass-through entity acquired any interest in any other such pass-through entity, and
   b. the last date on which any member in any such pass-through entity acquired any interest in such pass-through entity.

**Exception 2—Family partnership.** This disallowance does not apply to a qualified conservation contribution made by a family pass-through entity. Family pass-through entities are pass-through entities in which substantially all of the interests are held, directly or indirectly, by an individual and members of the family of such individual. For these purposes, members of the family are defined as the spouse of such individual and any individual described in Internal Revenue Code section 152(d)(2)(A)-(G).

**Exception 3—Historic structure.** This disallowance does not apply if the purpose of the qualified conservation contribution is the preservation of a certified historic structure. See **Certified historic structures** earlier.

**More information.** For information about determining the FMV of qualified conservation contributions, see Pub. 561 and the instructions for Form 4283. For information about the limits that apply to deductions for this type of contribution, see **Limits on Deductions**, later. For more information about qualified conservation contributions, see Regulations section 1.170A-14.

**Future Interest in Tangible Personal Property**

You can’t deduct the value of a charitable contribution of a future interest in tangible personal property until all intervening interests in and rights to the actual possession or enjoyment of the property have either expired or been turned over to someone other than yourself, a related person, or a related organization. But see **Fractional Interest in Tangible Personal Property**, earlier, and **Tangible personal property put to unrelated use**, later.

Related persons include your spouse, children, grandchildren, sibling(s), and parents. Related organizations may include a partnership or corporation in which you have an interest, or an estate or trust with which you have a connection.

**Tangible personal property.** This is any property, other than land or buildings, that can be seen or touched. It includes furniture, books, jewelry, paintings, and cars.

**Future interest.** This is any interest that is to begin at some future time, regardless of whether it is designated as a future interest under state law.

**Example.** You own an antique car that you contribute to a museum. You give up ownership, but retain the right to keep the car in your garage with your personal collection. Because you keep an interest in the property, you can’t deduct the contribution. If you turn the car over to the museum in a later year, giving up all rights to
its use, possession, and enjoyment, you can take a deduction for the contribution in that later year.

Inventory

If you contribute inventory (property you sell in the course of your business), the amount you can deduct is the smaller of its FMV on the day you contributed it or its basis. The basis of contributed inventory is any cost incurred for the inventory in an earlier year that you would otherwise include in your opening inventory for the year of the contribution. You must remove the amount of your charitable contribution deduction from your opening inventory. It isn’t part of the cost of goods sold.

If the cost of donated inventory isn’t included in your opening inventory, the inventory’s basis is zero and you can’t claim a charitable contribution deduction. Treat the inventory’s cost as you would ordinarily treat it under your method of accounting. For example, include the purchase price of inventory bought and donated in the same year in the cost of goods sold for that year.

A special rule applies to certain donations of food inventory. See Food Inventory, later.

Patents and Other Intellectual Property

If you donate intellectual property to a qualified organization, your deduction is limited to the basis of the property or the FMV of the property, whichever is smaller. Intellectual property means any of the following:

- Patents.
- Copyrights (other than a copyright described in Internal Revenue Code sections 1221(a)(3) or 1231(b)(1)(C)).
- Trademarks.
- Trade names.
- Trade secrets.
- Know-how.
- Software (other than software described in Internal Revenue Code section 197(e)(3)(A)(i)).
- Other similar property or applications or registrations of such property.

Additional deduction based on income. You may be able to claim additional charitable contribution deductions in the year of the contribution and years following, based on the income, if any, from the donated property.

The following table shows the percentage of income from the property that you can deduct for each of your tax years ending on or after the date of the contribution. In the table, “tax year 1,” for example, means your first tax year ending on or after the date of the contribution. However, you can take the additional deduction only to the extent the total of the amounts figured using this table is more than the amount of the deduction claimed for the original donation of the property.

After the legal life of the intellectual property ends, or after the 10th anniversary of the donation, whichever is earlier, no additional deduction is allowed.

The additional deductions can’t be taken for intellectual property donated to certain private foundations.

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Reporting requirements. You must inform the organization at the time of the donation that you intend to treat the donation as a contribution subject to the provisions just discussed.

The organization is required to file an information return showing the income from the property, with a copy to you. This is done on Form 8899, Notice of Income From Donated Intellectual Property.

Determining FMV

This section discusses general guidelines for determining the FMV of various types of donated property. Pub. 561 contains a more complete discussion.

FMV is the price at which property would change hands between a willing buyer and a willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts.

Used clothing. The FMV of used clothing and other personal items is usually far less than the price you paid for them. There are no fixed formulas or methods for finding the value of items of clothing.

You should claim as the value the price that buyers of used items actually pay in used clothing stores, such as consignment or thrift shops.

Also see Clothing and Household Items, earlier.

Example. You donated a coat to a thrift store operated by a place of worship. You paid $300 for the coat 3 years ago. Similar coats in the thrift store sell for $50. The FMV of the coat is $50. Your donation is limited to $50.

Household items. The FMV of used household items, such as furniture, appliances, and linens, is usually much lower than the price paid when new. These items may have little or no market value because they are in a worn condition, out of style, or no longer useful. For these reasons, formulas (such as using a percentage of the cost to buy a new replacement item) aren’t acceptable in determining value.

You should support your valuation with photographs, canceled checks, receipts from your purchase of the items, or other evidence. Magazine or newspaper articles and photographs that describe the items and statements by the recipients of the items are also useful. Don’t include any of this evidence with your tax return.

If the property is valuable because it is old or unique, see the discussion under Paintings, Antiques, and Other Objects of Art in Pub. 561.

Also see Clothing and Household Items, earlier.

Article of clothing or household item over $500 not in good used condition. Form 8283, Section B, must be completed and the Form 8283 attached to the tax return if you are contributing a single article of clothing or household item over $500 that is not in good used condition. See the Form 8283 instructions for more information.

Cars, boats, and airplanes. If you contribute a car, boat, or airplane to a qualified organization, you must determine its FMV.

Qualified vehicle donation. You don’t need a written appraisal for a qualified vehicle — such as a car, boat, or airplane — if your deduction for the qualified vehicle is limited to the gross proceeds from its sale and you obtained a contemporaneous written acknowledgment (CWA), defined later. If you donate a qualified vehicle with a claimed value of more than $500, you can’t claim a deduction unless you attach to Form 8283 a copy of the CWA you received from the donee organization. See Qualified Vehicle Donations in the Instructions for Form 8283.

Boats. Except for small, inexpensive boats, the valuation of boats should be based on an appraisal by a marine surveyor or appraiser because the physical condition is critical to the value.

Cars. Certain commercial firms and trade organizations publish used car pricing guides, commonly called “blue books,” containing complete dealer sale prices or dealer average prices for recent model years. The guides may be published monthly or seasonally, and for different regions of the country. These guides also provide estimates for adjusting for unusual equipment, unusual mileage, and physical condition. The prices aren’t “official,” and these publications aren’t considered an appraisal of any specific donated property. But they do provide clues for making an appraisal and suggest relative prices for comparison with current sales and offerings in your area.

These publications are sometimes available from public libraries, or from the loan officer at a bank, credit union, or finance company. You can also find used car pricing information on the Internet.

To find the FMV of a donated car, use the price listed in a used car guide for a private party sale, not the dealer retail value. However, the FMV may be less if the car has engine trouble, body damage, high mileage, or any type of excessive wear. The FMV of a donated car is the same as the price listed in a used car guide for a private party sale only if the guide lists a sales price for a car that is the same make, model, and year, sold in the same area, in the same condition, with the same or similar
Giving Property That Has Decreased in Value

If you contribute property with an FMV that is less than your basis in it, your deduction is limited to its FMV. You can’t claim a deduction for the difference between the property’s basis and its FMV.

Your basis in property is generally what you paid for it. If you need more information about basis, see Pub. 551, Basis of Assets. You may want to see Pub. 551 if you contribute property that you:

- Received as a gift or inheritance;
- Used in a trade, business, or activity conducted for profit; or
- Claimed a casualty loss deduction for.

Common examples of property that decrease in value include clothing, furniture, appliances, and cars.

Giving Property That Has Increased in Value

If you contribute property with an FMV that is more than your basis in it, you may have to reduce the FMV by the amount of appreciation (increase in value) when you figure your deduction.

Your basis in property is generally what you paid for it. If you need more information about basis, see Pub. 551.

Different rules apply to figuring your deduction, depending on whether the property is:

- Ordinary income property, or
- Capital gain property.

Ordinary Income Property

Property is ordinary income property if you would have recognized ordinary income or short-term capital gain had you sold it at FMV on the date it was contributed. Examples of ordinary income property are inventory, works of art created by the donor, manuscripts prepared by the donor, and capital assets (defined later, under Capital Gain Property) held 1 year or less.

Property used in a trade or business. Property used in a trade or business is considered ordinary income property to the extent of any gain that would have been treated as ordinary income because of depreciation had the property been sold at its FMV at the time of contribution. See chapter 3 of Pub. 544, Sales and Other Dispositions of Assets, for the kinds of property to which this rule applies.

Amount of deduction. The amount you can deduct for a contribution of ordinary income property is its FMV minus the amount that would be ordinary income or short-term capital gain if you sold the property for its FMV. Generally, this rule limits the deduction to your basis in the property.

Example. You donate stock you held for 5 months to your synagogue. The FMV of the stock on the day you donate it is $1,000, but you paid only $800 (your basis). Because the $200 of appreciation would be short-term capital gain if you sold the stock, your deduction is limited to $800 (FMV minus the appreciation).

Exception. Don’t reduce your charitable contribution if you include the ordinary or capital gain income in your gross income in the same year as the contribution. See Ordinary or capital gain income included in gross income under Capital Gain Property next, if you need more information.

Capital Gain Property

Property is capital gain property if you would have recognized long-term capital gain had you sold it at FMV on the date of the contribution. Capital gain property includes capital assets held more than 1 year.

Capital assets. Capital assets include most items of property you own and use for personal purposes or investment. Examples of capital assets are stocks, bonds, jewelry, coin or stamp collections, and cars or furniture used for personal purposes.

For purposes of figuring your charitable contribution, capital assets also include certain real property and depreciable property used in your trade or business and, generally, held more than 1 year. You may, however, have to treat this property as partly ordinary income property and partly capital gain property. See Property used in a trade or business under Ordinary Income Property, earlier.

Real property. Real property is land and generally anything built on, growing on, or attached to land.

Depreciable property. Depreciable property is property used in business or held for the production of income and for which a depreciation deduction is allowed.

For more information about what is a capital asset, see chapter 2 of Pub. 544.

Amount of deduction—General rule. When figuring your deduction for a contribution of capital gain property, you can generally use the FMV of the property.

Exceptions. However, in certain situations, you must reduce the FMV by any amount that would have been long-term capital gain if you had sold the property for its FMV. Generally, this means reducing the FMV to the property’s cost or other basis. You must do this if:

1. The property (other than qualified appreciated stock) is contributed to certain private nonoperating foundations,
2. You choose the 50% limit instead of the 30% limit for capital gain property given to 50% limit organizations, discussed later,
3. The contributed property is intellectual property (as defined earlier under Patents and Other Intellectual Property),
4. The contributed property is certain taxidermy property, as explained earlier, or
5. The contributed property is tangible personal property (defined earlier) that:
   a. Is put to an unrelated use (defined later) by the charity, or
   b. Has a claimed value of more than $5,000 and is sold, traded, or otherwise disposed of by the qualified organization during the year in which you made the contribution, and the qualified organization hasn’t made the required certification of exempt use (such as on Form 8282, Donee Information Return, Part IV). See also Re-capture if no exempt use, later.

Contributions to private nonoperating foundations. The reduced deduction applies to contributions to all private nonoperating foundations other than those qualifying for the 50% limit, discussed later.

However, the reduced deduction doesn’t apply to contributions of qualified appreciated stock. Qualified appreciated stock is any stock in a corporation that is capital gain property and for which market quotations are readily available on an established securities market on the day of the contribution. But stock in a corporation doesn’t count as qualified appreciated stock to the extent you and your family contributed more than 10% of the value of all the outstanding stock in the corporation.

Tangible personal property put to unrelated use. Tangible personal property is defined earlier under Future Interest in Tangible Personal Property.

Unrelated use. The term “unrelated use” means a use unrelated to the exempt purpose or function of the qualified organization. For a governmental unit, it means the use of the contributed property for other than exclusively public purposes.

Example. If a painting contributed to an educational institution is used by that organization for educational purposes by being placed in
Deduction limited. Your deduction for a contribution of tangible personal property may be limited. See (5) under Exceptions, earlier.

Recapture if no exempt use. You must recapture part of your charitable contribution deduction by including it in your income if all the following statements are true.

1. You donate tangible personal property with a claimed value of more than $5,000, and your deduction is more than your basis in the property.
2. The organization sells, trades, or otherwise disposes of the property after the year it was contributed but within 3 years of the contribution.
3. The organization doesn’t provide a written statement (such as on Form 8282, Part IV), signed by an officer of the organization under penalty of perjury, that either:
   a. Certifies its use of the property was substantial and related to the organization’s purpose, or
   b. Certifies its intended use of the property became impossible.

If all the preceding statements are true, include in your income:
1. The deduction you claimed for the property, minus
2. Your basis in the property when you made the contribution.

Include this amount in your income for the year the qualified organization disposes of the property. Report the recaptured amount on Schedule 1 (Form 1040), line 8z.

Ordinary or capital gain income included in gross income. You don’t reduce your charitable contribution deduction if you include the ordinary or capital gain income in your gross income in the same year as the contribution. This may happen when you transfer installment or discount obligations or when you assign income to a qualified organization. If you contribute an obligation received in a sale of property that is reported under the installment method, see Pub. 537, Installment Sales.

Example. You donate an installment note to a qualified organization. The note has an FMV of $10,000 and a basis to you of $7,000. As a result of the donation, you have a short-term capital gain of $3,000 ($10,000 − $7,000), which you include in your income for the year. Your charitable contribution is $10,000.

Food Inventory

Special rules apply to certain donations of food inventory to a qualified organization. These rules apply if all the following conditions are met.

1. You made a contribution of apparently wholesome food from your trade or business. Apparently wholesome food is food intended for human consumption that meets all quality and labeling standards imposed by federal, state, and local laws and regulations even though the food may not be readily marketable due to appearance, age, freshness, grade, size, surplus, or other conditions.
2. The food is to be used only for the care of the ill, the needy, or infants.
3. The use of the food is related to the organization’s exempt purpose or function.
4. The organization doesn’t transfer the food for money, other property, or services.
5. You receive a written statement from the organization stating it will comply with requirements (2), (3), and (4).
6. The organization isn’t a private nonoperating foundation.
7. The food satisfies any applicable requirements of the Federal Food, Drug, and Cosmetic Act and regulations on the date of transfer and for the previous 180 days.

If all the conditions just described are met, use the following worksheet to figure your deduction.

Worksheet 1.
Donations of Food Inventory

See separate Worksheet Instructions. (Keep for your records)

1. Enter FMV of the donated food
2. Enter basis of the donated food
3. Subtract line 2 from line 1. If the result is zero or less, stop here. Don’t complete the rest of this worksheet. Your charitable contribution deduction for food is the amount on line 1.
4. Enter one-half of line 3.
5. Subtract line 4 from line 1.
6. Multiply line 2 by 2.0.
7. Subtract line 6 from line 5. If the result is less than zero, enter 0.
8. Add lines 4 and 7.
9. Compare line 3 and line 8. Enter the smaller amount.
10. Subtract line 9 from line 1.
11. Enter 15% of your total net income for the year from all trades or businesses from which food inventory was donated.
12. Compare line 10 and line 11. Enter the smaller amount. This is your charitable contribution deduction for the food.

Worksheet instructions. When determining the FMV to enter on line 1 of the worksheet, take into account the price at which the same or substantially the same food items (as to both type and quality) were sold by you at the time of the contribution. Don’t reduce this amount because the food wasn’t or couldn’t be sold by reason of your internal standards, lack of market, or similar circumstances. Also, don’t reduce this amount even though you produced the food exclusively for the purpose of transferring the food to a qualified organization.

If you don’t account for inventories under section 471 and you aren’t required to capitalize indirect costs under section 263A, you may elect, solely for the purpose of line 2 of the worksheet, to treat the basis of any apparently wholesome food as being equal to 25% of the FMV of such food.

Enter on line 11 of the worksheet, 15% of your net income for the year from all sole proprietorships, S corporations, or partnerships (or other entity that isn’t a C corporation) from which contributions of food inventory were made. Figure net income before any deduction for a charitable contribution of food inventory.

If you made more than one contribution of food inventory, complete a separate worksheet for each contribution. Complete lines 11 and 12 on only one worksheet. On that worksheet, complete line 11. Then compare line 11 and the total of the line 10 amounts on all worksheets and enter the smaller of those amounts on line 12.

If line 11 is smaller than line 10, you can carry over the excess as a qualifying food inventory contribution to the following year. You may be able to include the excess in your charitable contribution deduction for the food in each of the next 5 years in order of time until it is used up, but not beyond that time.

More information. See Inventory, earlier, for information about determining the basis of donated inventory and the effect on cost of goods sold. For additional details, see section 170(e) (3) of the Internal Revenue Code.

Bargain Sales

A bargain sale of property is a sale or exchange for less than the property’s FMV. A bargain sale to a qualified organization is partly a charitable contribution and partly a sale or exchange.

Part that is a sale or exchange. The part of the bargain sale that is a sale or exchange may result in a taxable gain. For more information on figuring the amount of any taxable gain, see Bargain sales to charity in chapter 1 of Pub. 544.

Part that is a charitable contribution. Figure the amount of your charitable contribution in three steps.

Step 1. Subtract the amount you received for the property from the property’s FMV at the time of sale. This gives you the FMV of the contributed part.

Step 2. Find the adjusted basis of the contributed part. It equals:

\[
\text{Adjusted basis of entire property} \times \frac{\text{Fair market value of contributed part}}{\text{Fair market value of entire property}}
\]

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Step 3. Determine whether the amount of your charitable contribution is the FMV of the contributed part (which you found in Step 1) or the adjusted basis of the contributed part (which you found in Step 2). Generally, if the property sold was capital gain property, your charitable contribution is the FMV of the contributed part. If it was ordinary income property, your charitable contribution is the adjusted basis of the contributed part. See Ordinary Income Property and Capital Gain Property, both earlier, for more information.

Example. You sell ordinary income property with an FMV of $10,000 to a mosque for $2,000. Your basis is $4,000 and your AGI is $20,000. You make no other contributions during the year. The FMV of the contributed part of the property is $8,000 ($10,000 − $2,000). The adjusted basis of the contributed part is $3,200 ($4,000 × ($8,000 ÷ $10,000)). Because the property is ordinary income property, your charitable deduction is limited to the adjusted basis of the contributed part. You can deduct $3,200.

Penalty

You may be liable for a penalty if you overstate the value or adjusted basis of contributed property.

20% penalty. The penalty is 20% of the amount by which you underpaid your tax because of the overstatement, if:

1. The value or adjusted basis claimed on your return is 150% or more of the correct amount, and
2. You underpaid your tax by more than $5,000 because of the overstatement.

40% penalty. The penalty is 40%, rather than 20%, if:

1. The value or adjusted basis claimed on your return is 200% or more of the correct amount, and
2. You underpaid your tax by more than $5,000 because of the overstatement.

When To Deduct

You can deduct your contributions only in the year you actually make them in cash or other property (or in a later carryover year, as explained under How To Figure Your Deduction When Limits Apply, later). This applies whether you use the cash or an accrual method of accounting.

Time of making contribution. Usually, you make a contribution at the time of its unconditional delivery.

Checks. A check you mail to a charity is considered delivered on the date you mail it.

Text message. Contributions made by text message are deductible in the year you send the text message if the contribution is charged to your telephone or wireless account.

Credit card. Contributions charged on your bank credit card are deductible in the year you make the charge.

Pay-by-phone account. Contributions made through a pay-by-phone account are considered delivered on the date the financial institution pays the amount. This date should be shown on the statement the financial institution sends you.

Stock certificate. A properly endorsed stock certificate is considered delivered on the date of mailing or other delivery to the charity or to the charity’s agent. However, if you give a stock certificate to your agent or to the issuing corporation for transfer to the name of the charity, your contribution isn’t delivered until the date the stock is transferred on the books of the corporation.

Promissory note. If you issue and deliver a promissory note to a charity as a contribution, it isn’t a contribution until you make the note payments.

Option. If you grant a charity an option to buy real property at a bargain price, it isn’t a contribution until the charity exercises the option.

Borrowed funds. If you contribute borrowed funds, you can deduct the contribution in the year you deliver the funds to the charity, regardless of when you repay the loan.

Conditional gift. If your contribution depends on a future act or event to become effective, you can’t take a deduction unless there is only a negligible chance the act or event won’t take place.

If your contribution would be undone by a later act or event, you can’t take a deduction unless there is only a negligible chance the act or event will take place.

Example 1. You contribute cash to a local school board, which is a political subdivision of a state, to help build a school gym. The school board will refund the money to you if it doesn’t collect enough to build the gym. You can’t deduct your contribution until there is no chance (or only a negligible chance) of a refund.

Example 2. You donate land to a city for as long as the city uses it for a public park. The city plans to use the land for a park, and there is no chance (or only a negligible chance) of the land being used for any different purpose. You can deduct your charitable contribution in the year you make the contribution.

Limits on Deductions

If your total contributions for the year are 20% or less of your AGI, you don’t need to read the rest of this section. The remaining limits discussed in this section don’t apply to you.

The amount you can deduct for charitable contributions is generally limited to no more than 60% of your AGI. Your deduction may be further limited to 50%, 30%, or 20% of your AGI, depending on the type of organization you give it to. Starting with tax year 2022, your deduction for cash contributions is limited to 60% of your AGI minus your deductions for all other contributions. These limits are described in detail in this section.

Your AGI is the amount on Form 1040, line 11.

If your contributions are more than any of the limits that apply, see Carryovers under How To Figure Your Deduction When Limits Apply, later.

Out-of-pocket expenses. Amounts you spend performing services for a charitable organization may be deductible as a contribution to a qualified organization. If so, your deduction is subject to the limit applicable to donations to that organization. For example, the 30% limit applies to amounts you spend on behalf of a private nonoperating foundation.

Types of Qualified Organizations

For the purpose of applying the deduction limits to your charitable contributions, qualified organizations can be divided into two categories.

First category of qualified organizations (50% limit organizations). The first category includes only the following types of qualified organizations. (These organizations are also sometimes referred to as “50% limit organizations.”)

1. Churches and conventions or associations of churches.
2. Educational organizations with a regular faculty and curriculum that normally have a regularly enrolled student body attending classes on site.
3. Hospitals and certain medical research organizations associated with these hospitals.
4. Organizations that are operated only to receive, hold, invest, and administer property and to make expenditures to or for the benefit of state and municipal colleges and universities and that normally receive substantial support from the United States or any state or their political subdivisions, or from the general public.
5. The United States or any state, the District of Columbia, a U.S. possession (including Puerto Rico), a political subdivision of a state or U.S. possession, or an Indian tribal government or any of its subdivisions that perform substantial government functions.
6. Publicly supported charities, defined earlier under Qualified Conservation Contribution.
7. Organizations that may not qualify as “publicly supported” but that meet other tests showing they respond to the needs of the general public, not a limited number of donors or other persons. They must normally receive more than one-third of their support either from organizations.
8. Most organizations operated or controlled by, and operated for the benefit of, those organizations described in (1) through (7).

9. Private operating foundations.

10. Private nonoperating foundations that make qualifying distributions of 100% of contributions within 2½ months following the year they receive the contribution. A deduction for charitable contributions to any of these private nonoperating foundations must be supported by evidence from the foundation confirming it made the qualifying distributions timely. Attach a copy of this supporting data to your tax return.

11. A private foundation whose contributions are pooled into a common fund, if the foundation would be described in (8) but for the right of substantial contributors to name the public charities that receive contributions from the fund. The foundation must distribute the common fund’s income within 2½ months following the tax year in which it was realized and must distribute the corpus not later than 1 year after the donor’s death (or after the death of the donor’s surviving spouse if the spouse can name the recipients of the corpus).

You can ask any organization whether it is a 50% limit organization, and most will be able to tell you. Also see How to Check Whether an Organization Can Receive Deductible Charitable Contributions, earlier.

Second category of qualified organizations. The second category includes any type of qualified organization that isn’t in the first category.

Limits

The limit that applies to a contribution depends on the type of property you give and which category of qualified organization you give it to. The amount of a contribution you can deduct is generally limited to a percentage of your AGI, but may be further reduced if you make contributions that are subject to more than one of the limits discussed in this section.

Your total deduction of charitable contributions can’t exceed your AGI. If your contributions are subject to more than one of the limits, you include all or part of each contribution in a certain order, carrying over any excess to a subsequent year (if allowed). See How To Figure Your Deduction When Limits Apply and Carryovers, later, for more information about ordering and carryovers.

Limit based on 100% of AGI

Qualified conservation contributions of farmers and ranchers. If you are a qualified farmer or rancher, your deduction for a qualified conservation contribution (QCC) is limited to 100% of your AGI minus your deduction for all other charitable contributions. However, if the donated property is used in agriculture or livestock production (or is available for such production), the contribution must be subject to a restriction that the property remain available for such production. If not, the limit is 50%. For more information about applying the 50% limit to a QCC, see Qualified conservation contributions, later, under Limits based on 50% of AGI.

Qualified farmer or rancher. You are a qualified farmer or rancher if your gross income from the trade or business of farming is more than 50% of your gross income for the year.

Limit based on 60% of AGI

If you make cash contributions during the year to an organization described earlier under First category of qualified organizations (50% limit organizations), your deduction for the cash contributions is 60% of your AGI. See Cash Contributions for what is included in cash contributions.

This 60% limit doesn’t apply to noncash charitable contributions. See Noncash contributions to 50% limit organizations, later, if you contribute something other than cash to a 50% limit organization.

Example 1. You gave your temple a $200 cash contribution. The limit based on 60% of AGI will apply to the cash contribution to the temple because it is an organization described earlier under First category of qualified organizations (50% limit organizations) and because the contribution was cash.

Example 2. You donated clothing to your synagogue with an FMV of $200. The limit based on 60% of AGI doesn’t apply because the contribution is not cash. Instead, a limit based on 50% of AGI discussed later will apply to the contribution to the synagogue because it is an organization described earlier under First category of qualified organizations (50% limit organizations).

“For the use of” contribution exception. A 30% limit applies to cash contributions that are “for the use of” the qualified organizations instead of “to” the qualified organization. A contribution is “for the use of” a qualified organization when it is held in a legally enforceable trust for the qualified organization or in a similar legal arrangement. See Contributions to the second category of qualified organizations or “for the use of” any qualified organization, later, under Limits based on 30% of AGI, for more information.

Limits based on 50% of AGI

There are two 50% limits that may apply to your contributions.

Noncash contributions to 50% limit organizations. If you make noncash contributions to organizations described earlier under First category of qualified organizations (50% limit organizations), your deduction for the noncash contributions is limited to 50% of your AGI minus your cash contributions subject to the 60% limit.

Capital gain property exception. A 30% limit applies to noncash contributions of capital gain property if you figure your deduction using FMV without reduction for appreciation. See Certain capital gain property contributions to 50% limit organizations, later, under Limits based on 30% of AGI, for more information.

“For the use of” contribution exception. A 20% or 30% limit applies to noncash contributions that are “for the use of” a qualified organization instead of “to” the qualified organization. A contribution is “for the use of” a qualified organization when it is held in a legally enforceable trust for the qualified organization or in a similar legal arrangement. If the noncash contribution is capital gain property, see Limit based on 20% of AGI, later, for more information; otherwise, see Contributions to the second category of qualified organizations or “for the use of” any qualified organization, later, under Limits based on 30% of AGI, for more information.

Qualified conservation contributions. Your deduction for qualified conservation contributions (QCCs) is limited to 50% of your AGI minus your deduction for all other charitable contributions.

If you are a farmer or rancher, go to Qualified conservation contributions of farmers or ranchers, earlier, under Limits based on 100% of AGI, to see if that limit applies to your QCC instead.

Limits Based on 30% of AGI

These are two 30% limits that may apply to your contributions. The 30% limit for capital gain property contributions to a 50% limit organization is separate from the 30% limit that applies to your other contributions. Both are separately reduced by contributions made to a 50% limit organization, but the amount allowed after applying one of the 30% limits doesn’t reduce the amount allowed after applying the other 30% limit. However, as a result of applying the separate limits, the total contributions subject to a 30% limit will never be more than 50% of your AGI.

Example. Your AGI is $50,000. During the year, you gave capital gain property with an FMV of $15,000 to an organization described earlier under First category of qualified organizations (50% limit organizations). You don’t choose to reduce the property’s FMV by its appreciation in value. You also gave $10,000 cash to a qualified organization that is described earlier under Second category of qualified organizations (meaning it isn’t a 50% limit organization). The $15,000 contribution of capital gain property is subject to one 30% limit and the $10,000 cash contribution is subject to the other 30% limit. The $10,000 cash contribution is fully deductible because the contribution is not more than the smaller of (i) 30% of your AGI ($15,000) and (ii) 50% of your AGI minus all contributions to a 50% limit organization ($25,000−$15,000 = $10,000). The $15,000 is also fully deductible because the contribution is not more than 30% of your AGI minus all contributions to a 50% limit organization subject to the 60% or 50% limit (other than qualified conservation contributions) ($25,000−$10,000 = $15,000). Neither amount is reduced by the other, so the total deductible contribution is
$25,000 (which is also not more than 50% of your AGI).

Contributions to the second category of qualified organizations or “for the use of” any qualified organization. If you make cash contributions or noncash contributions (other than capital gain property) during the year (1) to an organization described earlier under Second category of qualified organizations, or (2) “for the use of” any qualified organization, your deduction for those contributions is limited to 30% of your AGI, or if less, 50% of your AGI minus all your contributions to 50% limit organizations (other than contributions subject to a 100% limit or qualified conservation contributions). For this purpose, contributions to 50% limit organizations include all capital gain property contributions to a 50% limit organization (other than qualified conservation contributions), even those that are subject to the 30% limit, discussed later.

A contribution is “for the use of” a qualified organization when it is held in a legally enforceable trust for the qualified organization or in a similar legal arrangement.

If you make a contribution of capital gain property to an organization other than a 50% limit organization or “for the use of” any qualified organization, see Limit based on 20% of AGI, later.

Student living with you. Deductible amounts you spend on behalf of a student living with you are subject to this 30% limit. These amounts are considered a contribution for the use of a qualified organization. See Expenses Paid for Student Living With You, earlier, for more information.

Certain capital gain property contributions to 50% limit organizations. Your noncash contributions of capital gain property to 50% limit organizations is limited to 30% of your AGI minus all your contributions to 50% limit organizations that are subject to the 60% and 50% limits (other than qualified conservation contributions). The limit that applies to capital gain property contributions to 50% limit organizations doesn’t apply to qualified conservation contributions. If you are making a qualified conservation contribution (QCC), see Qualified conservation contributions and Qualified conservation contributions of farmers and ranchers, earlier, for the limits to apply to a QCC.

Election to apply the 50% limit. You may choose the 50% limit for contributions of capital gain property to organizations described earlier under First category of qualified organizations (50% limit organizations) instead of the 30% limit that would otherwise apply. See Capital gain property election, later, under How To Figure Your Deduction When Limits Apply, for more information about making this election and how to adjust the amount of your contribution.

Limit Based on 20% of AGI

If you make noncash contributions of capital gain property during the year (1) to an organization described earlier under Second category of qualified organizations, or (2) “for the use of” any qualified organization, your deduction for

1. 30% of your AGI minus all your contributions that are subject to a limit based on 30% of AGI.
2. 30% of your AGI minus all your capital gain contributions that are subject to the limit based on 30% of AGI.
3. 50% of your AGI minus all contributions subject to the limits based on 60%, 50%, and 30% of AGI (other than qualified conservation contributions).
4. Contributions of capital gain property subject to the limit based on 30% of AGI. Deduct the contributions that don’t exceed the smaller of:
   a. 30% of your AGI, or
   b. 50% of your AGI minus your contributions subject to a 50% limit organization (other than qualified conservation contributions), including capital gain property subject to the limit based on 30% of AGI.
5. Contributions of capital gain property subject to the limit based on 20% of AGI. Deduct the contributions that don’t exceed the smaller of:
   a. 20% of your AGI, or
   b. 30% of your AGI minus your contributions of capital gain property subject to the limit based on 30% of AGI.
For details, see Carrying over of capital gain property, later.

You must make the choice on your original return or on an amended return filed by the due date for filing the original return.

Example. In the previous example, if you choose to have the 50% limit apply to the land (the 30% capital gain property) given to your place of worship, you must reduce the FMV of the property by the appreciation in value. Therefore, the amount of your charitable contribution for the land would be its basis to you of $22,000. You add this amount to the $2,000 cash contributed to the place of worship. You can now deduct $1,000 of the amount donated to the private nonoperating foundation because the total of your contributions of cash ($2,000) and capital gain property ($22,000) to 50% limit organizations is $1,000 less than the limit based on 50% of AGI. Your total deduction for the year is $25,000 ($2,000 cash to your place of worship, $22,000 for property donated to your place of worship, and $1,000 cash to the private nonoperating foundation). You can carry over to later years the part of your contribution to the private nonoperating foundation that you couldn't deduct ($4,000).

Instructions for Worksheet 2

You can use Worksheet 2 if you made charitable contributions during the year, and one or more of the limits described in this publication under Limits on Deductions apply to you. You can't use this worksheet if you have a carryover of a charitable contribution from an earlier year. If you have a carryover from an earlier year, see Carryovers, later.

The following list gives instructions for completing the worksheet.

• The terms used in the worksheet are explained earlier in this publication.
• If the result on any line is less than zero, enter zero.
• For contributions of property, enter the property's FMV unless you elected (or were required) to reduce the FMV as explained under Giving Property That Has Increased in Value. In that case, enter the reduced amount.
Worksheet 2. Applying the Deduction Limits

Caution: Don’t use this worksheet to figure the contributions you can deduct this year if you have a carryover of a charitable contribution from an earlier year.

<table>
<thead>
<tr>
<th>Step 1. Enter any qualified conservation contributions (QCCs) made during the year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. If you are a qualified farmer or rancher, enter any QCCs subject to the limit based on 100% of AGI</td>
</tr>
<tr>
<td>2. Enter any QCCs not entered on line 1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Step 2. Enter your other charitable contributions made during the year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Reserved for future use</td>
</tr>
<tr>
<td>4. Enter your contributions of capital gain property &quot;for the use of&quot; any qualified organization</td>
</tr>
<tr>
<td>5. Enter your other contributions &quot;for the use of&quot; any qualified organization. Don't include any contributions you entered on a previous line</td>
</tr>
<tr>
<td>6. Enter your contributions of capital gain property to qualified organizations that aren’t 50% limit organizations. Don't include any contributions you entered on a previous line</td>
</tr>
<tr>
<td>7. Enter your other contributions to qualified organizations that aren’t 50% limit organizations. Don't include any contributions you entered on a previous line</td>
</tr>
<tr>
<td>8. Enter your contributions of capital gain property to 50% limit organizations deducted at FMV. Don't include any contributions you entered on a previous line</td>
</tr>
<tr>
<td>9. Enter your noncash contributions to 50% limit organizations other than capital gain property you deducted at FMV. Be sure to include contributions of capital gain property to 50% limit organizations if you reduced the property’s FMV. Don’t include any contributions you entered on a previous line</td>
</tr>
<tr>
<td>10. Enter your cash contributions to 50% limit organizations. Don't include any contributions you entered on a previous line</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Step 3. Figure your deduction for the year (if any result is zero or less, enter -0-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Enter your AGI</td>
</tr>
<tr>
<td>12. Multiply line 11 by 0.6</td>
</tr>
<tr>
<td>13. Deductible amount. Enter the smaller of line 10 or line 12</td>
</tr>
<tr>
<td>14. Carryover. Subtract line 13 from line 10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncash contributions subject to the limit based on 50% of AGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>15. Multiply line 11 by 0.5</td>
</tr>
<tr>
<td>16. Subtract line 13 from line 15</td>
</tr>
<tr>
<td>17. Deductible amount. Enter the smaller of line 9 or line 16</td>
</tr>
<tr>
<td>18. Carryover. Subtract line 17 from line 9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contributions (other than capital gain property) subject to limit based on 30% of AGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. Multiply line 11 by 0.5</td>
</tr>
<tr>
<td>20. Add lines 8, 9, and 10</td>
</tr>
<tr>
<td>21. Subtract line 20 from line 19</td>
</tr>
<tr>
<td>22. Multiply line 11 by 0.3</td>
</tr>
<tr>
<td>23. Add lines 5 and 7</td>
</tr>
<tr>
<td>24. Deductible amount. Enter the smallest of line 21, 22, or 23</td>
</tr>
<tr>
<td>25. Carryover. Subtract line 24 from line 23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contributions of capital gain property subject to limit based on 30% of AGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>26. Multiply line 11 by 0.5</td>
</tr>
<tr>
<td>27. Add lines 9 and 10</td>
</tr>
<tr>
<td>28. Subtract line 27 from line 26</td>
</tr>
<tr>
<td>29. Multiply line 11 by 0.3</td>
</tr>
<tr>
<td>30. Deductible amount. Enter the smallest of line 8, 28, or 29</td>
</tr>
<tr>
<td>31. Carryover. Subtract line 30 from line 8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contributions subject to the limit based on 20% of AGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>32. Multiply line 11 by 0.5</td>
</tr>
<tr>
<td>33. Add lines 13, 17, 24, and 30</td>
</tr>
<tr>
<td>34. Subtract line 33 from line 32</td>
</tr>
<tr>
<td>35. Multiply line 11 by 0.3</td>
</tr>
<tr>
<td>36. Subtract line 24 from line 35</td>
</tr>
<tr>
<td>37. Subtract line 30 from line 35</td>
</tr>
<tr>
<td>38. Multiply line 11 by 0.2</td>
</tr>
<tr>
<td>39. Add lines 4 and 6</td>
</tr>
<tr>
<td>40. Deductible amount. Enter the smallest of line 34, 36, 37, 38, or 39</td>
</tr>
<tr>
<td>41. Carryover. Subtract line 40 from line 39</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>QCCs subject to limit based on 50% of AGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>42. Multiply line 11 by 0.5</td>
</tr>
<tr>
<td>43. Add lines 13, 17, 24, 30, and 40</td>
</tr>
<tr>
<td>44. Subtract line 43 from line 42</td>
</tr>
<tr>
<td>45. Deductible amount. Enter the smaller of line 2 or line 44</td>
</tr>
<tr>
<td>46. Carryover. Subtract line 45 from line 2</td>
</tr>
</tbody>
</table>

Note: Worksheet 2 continues on the next page.
Worksheet 2—continued

<table>
<thead>
<tr>
<th>QCCs subject to limit based on 100% of AGI (If line 1 is zero, enter 0 on lines 47 through 51.)</th>
<th>47</th>
</tr>
</thead>
<tbody>
<tr>
<td>48. Add lines 13, 17, 24, 30, 40, and 45</td>
<td>48</td>
</tr>
<tr>
<td>49. Subtract line 48 from line 47</td>
<td>49</td>
</tr>
<tr>
<td>50. Deductible amount. Enter the smaller of line 1 or line 49</td>
<td>50</td>
</tr>
<tr>
<td>51. Carryover. Subtract line 50 from line 1</td>
<td>51</td>
</tr>
</tbody>
</table>

**Deduction for the year**

52. Add lines 13, 17, 24, 30, 40, 45, and 50. Enter the total here and include the deductible amounts on Schedule A (Form 1040), line 11 or line 12, whichever is appropriate.

Note. Any amounts in the carryover column are not deductible this year but can be carried over to next year. See Carryovers, later, for more information about how you will use them next year.

### Carryovers

You can carry over any contributions you can't deduct in the current year because they exceed the limits based on your AGI. Except for qualified conservation contributions, you may be able to deduct the excess in each of the next 5 years until it is used up, but not beyond that time.

A carryover of a qualified conservation contribution can be carried forward for 15 years.

Generally, contributions you carry over are subject to the same percentage limits in the year to which they are carried as they were in the year of the contribution. For example, contributions subject to the 20% limit in the year in which they are made are 20% limit contributions in the year to which they are carried. But see Carryover of capital gain property, later.

For each category of contributions, you deduct carryover contributions only after deducting all allowable contributions in that category for the current year. If you have carryovers from 2 or more prior years, use the carryover from the earlier year first.

Note. A carryover of a contribution to a 50% limit organization must be used before contributions in the current year to organizations other than 50% limit organizations. See Example 2.

**Example 1.** Last year, you made cash contributions of $11,000 to 50% limit organizations. Because of the limit based on 60% of AGI, you deducted only $10,000 and carried over $1,000 to this year. This year, your AGI is $20,000 and you made cash contributions of $9,500 to 50% limit organizations. The limit based on 60% of AGI applies to your current year cash contribution of $9,500 and carryover contribution of $1,000. You can deduct this year's cash contribution and your carryover cash contribution in full because your total cash contributions of $10,500 ($9,500 + $1,000) is less than $12,000 (60% of $20,000).

**Example 2.** This year, your AGI is $24,000. You make cash contributions of $6,000 to which the 60% limit applies and $3,000 to which the 30% limit applies. You have a contribution carryover from last year of $5,000 for capital gain property contributed to a 50% limit organization and subject to the special 30% limit for contributions of capital gain property. Your cash contribution of $6,000 is fully deductible because it is less than $14,400 (which is 60% of your AGI).

The deduction for your 30% limit contributions of $3,000 is limited to $1,000. This is the lesser of:

1. $7,200 (30% of $24,000), or
2. $1,000 ($12,000 minus $11,000).

(The $12,000 amount is 50% of $24,000, your AGI. The $11,000 amount is the sum of your current and carryover contributions to 50% limit organizations, $6,000 + $5,000.)

The deduction for your $5,000 carryover is subject to the special 30% limit for contributions of capital gain property. This means it is limited to the smaller of:

1. $7,200 (your 30% limit), or
2. $5,000 ($12,000, your 50% limit, minus your allowable cash contributions to which the 60% limit applies ($6,000) and minus your allowable contribution to which the 30% limit applies ($1,000)).

Because your $5,000 carryover contribution does not exceed the smaller limit of $5,000, you can deduct it in full.

Your deduction is $12,000 ($6,000 + $1,000 + $5,000). You carry over the $2,000 balance of your 30% limit contributions for this year to next year.

**Carryover of capital gain property.** If you carry over contributions of capital gain property subject to the special 30% limit and you choose in the next year to use the 50% limit and take appreciation into account, you must refigure the carryover. Reduce the FMV of the property by the appreciation and reduce that result by the amount actually deducted in the previous year.

**Example.** Last year, your AGI was $50,000 and you contributed capital gain property valued at $27,000 to a 50% limit organization and didn't choose to use the 50% limit. Your basis in the property was $20,000. Your deduction was limited to $15,000 (30% of $50,000), and you carried over $12,000. This year, your AGI is $60,000 and you contribute capital gain property valued at $25,000 to a 50% limit organization. Your basis in the property is $24,000 and you choose to use the 50% limit. You must refigure your carryover as if you had taken appreciation into account last year as well as this year. Because the amount of your contribution last year would have been $20,000 (the property's basis) instead of the $15,000 you actually deducted, your refigured carryover is $5,000 ($20,000 − $15,000). Your total deduction this year is $29,000 (your $24,000 current contribution plus your $5,000 carryover).

**Additional rules for carryovers.** Special rules exist for computing carryovers if you:

- Are married in some years but not others,
- Have different spouses in different years,
- Change from a separate return to a joint return in a later year,
- Change from a joint return to a separate return in a later year,
- Have a net operating loss,
- Claim the standard deduction in a carryover year, or
- Become a surviving spouse.

Because of their complexity and the limited number of taxpayers to whom these additional rules apply, they aren't discussed in this publication. If you need to figure a carryover and you are in one of these situations, you may want to consult with a tax practitioner.

### Substantiation Requirements

You must keep records to prove the amount of the contributions you make during the year. The kind of records you must keep depends on the amount of your contributions and whether they are:

- Cash contributions,
- Noncash contributions, or
- Out-of-pocket expenses when donating your services.

Note. An organization must generally give you a written statement if it receives a payment from you that is more than $75 and is partly a contribution and partly for goods or services. (See Contributions From Which You Benefit under Contributions You Can Deduct, earlier.) Keep the statement for your records. It may...
satisfy all or part of the recordkeeping requirements explained in the following discussions.

Cash Contributions

Cash contributions include payments made by cash, check, electronic funds transfer, online payment service, debit card, credit card, payroll deduction, or a transfer of a gift card redeemable for cash.

You can’t deduct a cash contribution, regardless of the amount, unless you keep one of the following.

1. A bank record that shows the name of the qualified organization, the date of the contribution, and the amount of the contribution. Bank records may include:
   a. A canceled check.
   b. A bank or credit union statement.
   c. A credit card statement.
   d. An electronic fund transfer receipt.
   e. A scanned image of both sides of a canceled check obtained from a bank or credit union website.
2. A receipt (or a letter or other written communication such as an email) from the qualified organization showing the name of the organization, the date of the contribution, and the amount of the contribution.
3. The payroll deduction records described next.

Payroll deductions. If you make a contribution by payroll deduction, you must keep:

1. A pay stub, Form W-2, or other document furnished by your employer that shows the date and amount of the contribution; and
2. A pledge card or other document prepared by or for the qualified organization that shows the name of the organization and states the organization doesn’t provide goods or services in return for any contribution made to it by payroll deduction.

If your employer withheld $250 or more from a single paycheck, see Contributions of $250 or More next.

Contributions of $250 or More

You can claim a deduction for a contribution of $250 or more only if you have a contemporaneous written acknowledgment of your contribution from the qualified organization or certain payroll deduction records. See Contemporaneous written acknowledgment (CWA), later, for a description of when a written acknowledgement is considered “contemporaneous” with your contribution.

If you made more than one contribution of $250 or more, you must have either a separate acknowledgment for each contribution or one acknowledgment that lists each contribution and the date of each contribution and shows your total contributions.

Amount of contribution. In figuring whether your contribution is $250 or more, don’t combine separate contributions. For example, if you gave your church $25 each week, your weekly payments don’t have to be combined. Each payment is a separate contribution.

If contributions are made by payroll deduction, the deduction from each paycheck is treated as a separate contribution.

If you made a payment that is partly for goods and services, as described earlier under Contributions From Which You Benefit, your contribution is the amount of the payment that is more than the value of the goods and services.

Acknowledgment. The acknowledgment must meet these tests.

1. It must be written.
2. It must include:
   a. The amount of cash you contributed,
   b. Whether the qualified organization gave you any goods or services as a result of your contribution (other than certain token items and membership benefits),
   c. A description and good faith estimate of the value of any goods or services described in (b). If the only benefit you received was an intangible religious benefit (such as admission to a religious ceremony) that generally isn’t sold in a commercial transaction outside the donative context, the acknowledgment must say so and doesn’t need to describe or estimate the value of the benefit.

If the acknowledgment doesn’t show the date of the contribution, you must also have a bank record or receipt, as described earlier, that does show the date of the contribution. If the acknowledgment shows the date of the contribution and meets the other tests just described, you don’t need any other records.

Contemporaneous written acknowledgment (CWA). Organizations typically send written acknowledgments to donors no later than January 31 of the year following the donation. For the written acknowledgement to be considered contemporaneous with the contribution it must meet both of the following requirements.

1. Meet all the tests described under Acknowledgment, earlier; and
2. You must get it on or before the earlier of:
   a. The date you file your return for the year you make the contribution; or
   b. The due date, including extensions, for filing the return.

Payroll deductions. If you make a contribution by payroll deduction and your employer withholds $250 or more from a single paycheck, you must keep:

1. A pay stub, Form W-2, or other document furnished by your employer that shows the amount withheld as a contribution; and
2. A pledge card or other document prepared by or for the qualified organization that shows the name of the organization and states the organization doesn’t provide goods or services in return for any contribution made to it by payroll deduction.

A single pledge card may be kept for all contributions made by payroll deduction regardless of amount as long as it contains all the required information.

If the pay stub, Form W-2, pledge card, or other document doesn’t show the date of the contribution, you must have another document that shows the date of the contribution. If the pay stub, Form W-2, pledge card, or other document shows the date of the contribution, you don’t need any other records except those just described in (1) and (2).

Noncash Contributions

Substantiation requirements for contributions not made in cash depend on whether your deduction for the contribution is:

1. Less than $250,
2. At least $250 but not more than $500,
3. Over $500 but not more than $5,000, or
4. Over $5,000.

The substantiation requirements for noncash contributions of more than $500 also apply to any return filed for any carryover year.

Amount of deduction. In figuring whether your contribution is $500 or more, combine your claimed deductions for all similar items of property donated to any qualified organization during the year.

If you received goods or services in return, as described earlier in Contributions From Which You Benefit, reduce your contribution by the value of those goods or services. If you figure your deduction by reducing the FMV of the donated property by its appreciation, as described earlier in Giving Property That Has Increased in Value, your contribution is the reduced amount.

Deductions of Less Than $250

Except as provided below, no deduction will be allowed for a noncash contribution of less than $250 unless you get and keep a receipt from the qualified organization showing:

1. The name and address of the qualified organization to which you contributed;
2. The date and location of the charitable contribution;
3. A description of the property in sufficient detail under the circumstances (taking into account the value of the property) for a person not generally familiar with the type of property to understand that the description is of the contributed property; and
4. For a security, the name of the issuer, the type of security, and whether it is publicly traded as of the date of the contribution. For example, a security is generally considered to be publicly traded if the security is (a) listed on a recognized stock exchange whose quotations are published daily, (b) regularly traded on a national or regional over-the-counter market, or (c)
Deductions of at Least $250 but Not More Than $500

If you claim a deduction of at least $250 but not more than $500 for a noncash charitable contribution, you must get and keep a contemporaneous written acknowledgment of your contribution from the qualified organization. If you made more than one contribution of $250 or more, you must have either a separate acknowledgment for each or one acknowledgment that shows your total contributions. See CWA, earlier.

The acknowledgment must:
1. Be written.
2. Include:
   a. A description (but not necessarily the value) of any property you contributed,
   b. Whether the qualified organization gave you any goods or services as a result of your contribution (other than certain token items and membership benefits), and
   c. A description and good faith estimate of the value of any goods or services described in (b). If the only benefit you received was an intangible religious benefit (such as admission to a religious ceremony) that generally isn’t sold in a commercial transaction outside the donative context, the acknowledgment must say so and doesn’t need to describe or estimate the value of the benefit.
3. Be received by you on or before the earlier of:
   a. The date you file your return for the year you make the contribution, or
   b. The due date, including extensions, for filing the return.

Deductions Over $500 but Not Over $5,000

If you claim a deduction over $500 but not over $5,000 for a noncash charitable contribution, you must complete Form 8283 and have the CWA, earlier. Your completed Form 8283 must include:
1. Your name and taxpayer identification number,
2. The name and address of the qualified organization,
3. The date of the charitable contribution, and
4. The following information about the contributed property:
   a. A description of the property in sufficient detail under the circumstances (taking into account the value of the property) for a person not generally familiar with the type of property to understand that the description is of the contributed property;
   b. The FMV of the property on the contribution date and the method used in figuring the FMV;
   c. In the case of real or tangible property, its condition;
   d. In the case of tangible personal property, whether the donee has certified it for a use related to the purpose or function constituting the donee’s basis for exemption under Section 501 of the Internal Revenue Code or, in the case of a governmental unit, an exclusively public purpose;
   e. In the case of securities, the name of the issuer, the type of securities, and whether they were publicly traded as of the date of the contribution;
   f. How you got the property, for example, by purchase, gift, bequest, inheritance, or exchange;
   g. The approximate date you got the property or, if created, produced, or manufactured by or for you, the approximate date the property was substantially completed; and
   h. The cost or other basis, and any adjustments to the basis, of property held less than 12 months and, if available, the cost or other basis of property held 12 months or more. This requirement, however, doesn’t apply to publicly traded securities.

Deductions Over $5,000

If you claim a deduction over $5,000 for a noncash charitable contribution, you must have the CWA, earlier. You must complete Form 8283 and have a qualified appraisal of the donated property from a qualified appraiser, and complete Form 8283. A qualified appraisal is not required for contributions of qualified vehicles for which you obtain a CWA, certain inventory, publicly traded securities, or certain intellectual property. See Deductions More Than $5,000 in Publication 561 for more information. Note: Digital assets are not publicly traded securities for the purposes of Form 8283, unless the digital asset is publicly traded stock or indebtedness. If the value of the digital asset exceeds $5,000, appraisal requirements will apply.

In addition to, or in lieu of, the items described in Deductions Over $500 but Not Over $5,000 earlier, your completed Form 8283 must include:
1. The qualified organization’s taxpayer identification number, signature, the date signed by the qualified organization, and the date the qualified organization received the property;
2. The appraiser’s name, address, taxpayer identification number, appraiser declaration, signature, and the date signed by the appraiser; and
3. The following additional information about the contributed property:
   a. The FMV on the valuation effective date; and
   b. A statement explaining whether the charitable contribution was made by means of a bargain sale and, if so, the amount of any consideration received for the contribution.

Note. The appraiser declaration must include the following statement: “I understand that my appraisal will be used in connection with a return or claim for refund. I also understand that, if there is a substantial or gross valuation misstatement of the value of the property claimed on the return or claim for refund that is based on my appraisal, I may be subject to a penalty under section 6695A of the Internal Revenue Code, as well as other applicable penalties. I affirm that I have not been at any time in the 3-year period ending on the date of the appraisal barred from presenting evidence or testimony before the Department of the Treasury or the Internal Revenue Service pursuant to 31 U.S.C. 330(c).”

Qualified Conservation Contribution

If the contribution was a qualified conservation contribution, your records must also include the FMV of the underlying property before and after the contribution and the conservation purpose furthered by the contribution.

For more information, see Qualified Conservation Contribution, earlier, and in Pub. 561.

Out-of-Pocket Expenses

If you give services to a qualified organization and have unreimbursed out-of-pocket expenses, considered separately, of $250 or more (for example, you pay $250 for an airline ticket to attend a convention of a qualified organization as a chosen representative), related to those services, the following two rules apply.
You must have adequate records to prove the amount of the expenses.

You must get an acknowledgment from the qualified organization that contains:

- A description of the services you provided,
- A statement of whether or not the organization provided you any goods or services to reimburse you for the expenses you incurred,
- A description and a good faith estimate of the value of any goods or services (other than intangible religious benefits) provided to reimburse you, and
- A statement that the only benefit you received was an intangible religious benefit, if that was the case. The acknowledgment doesn’t need to describe or estimate the value of an intangible religious benefit (defined earlier under Acknowledgment).

You must get the acknowledgment on or before the earlier of:

1. The date you file your return for the year you make the contribution, or
2. The due date, including extensions, for filing the return.

Car expenses. If you claim expenses directly related to use of your car in giving services to a qualified organization, you must keep reliable written records of your expenses. Whether your records are considered reliable depends on all the facts and circumstances. Generally, they may be considered reliable if you made them regularly and at or near the time you had the expenses.

For example, your records might show the name of the organization you were serving and the dates you used your car for a charitable purpose. If you use the standard mileage rate of 14 cents a mile, your records must show the miles you drove your car for the charitable purpose. If you deduct your actual expenses, your records must show the costs of operating the car that are directly related to a charitable purpose.

See Car expenses under Out-of-Pocket Expenses in Giving Services, earlier, for the expenses you can deduct.

How To Report

Report your charitable contributions on Schedule A (Form 1040), lines 11 through 14.

If you made noncash contributions, you may also be required to fill out parts of Form 8283. See Noncash contributions, later.

Cash contributions and out-of-pocket expenses. Enter your cash contributions, including out-of-pocket expenses, on Schedule A (Form 1040), line 11.

Reporting expenses for student living with you. If you claim amounts paid for a student who lives with you, as described earlier under Expenses Paid for Student Living With You, you must submit with your return:

1. A copy of your agreement with the organization sponsoring the student placed in your household.
2. A summary of the various items you paid to maintain the student, and
3. A statement that gives:
   a. The date the student became a member of your household,
   b. The dates of the student’s full-time attendance at school, and
   c. The name and location of the school.

Noncash contributions. For each noncash contribution described below, you must file with your return, a Form 8283 completed as specified in the instructions to Form 8283. Enter your noncash contributions on Schedule A (Form 1040), line 12.

Total deduction over $500. If your total deduction for all noncash contributions for the year is over $500, you must complete Form 8283 and attach it to your Form 1040. Use Section A of Form 8283 to report noncash contributions for which you claimed a deduction of $5,000 or less per item (or group of similar items). Also use Section A to report contributions of publicly traded securities. Note: Digital assets are not publicly traded securities for the purposes of Form 8283, unless the digital asset is publicly traded stock or indebtedness. If value of digital asset exceeds $5,000, appraisal requirements will apply. See Deduction over $5,000 next, for the items you must report on Section B.

The IRS may disallow your deduction for noncash charitable contributions if it is more than $500 and you don’t submit Form 8283 with your return.

Deduction over $5,000. You must complete Section B of Form 8283 for each item or group of similar items for which you claim a deduction of over $5,000. (However, if you contributed publicly traded securities or the specified properties listed in the instructions for Form 8283, complete Section A instead.) In figuring whether your deduction for a group of similar items was more than $5,000, consider all items in the group, even if items in the group were donated to more than one organization. However, you must file a separate Form 8283, Section B, for each organization. The organization that received the property must complete and sign Part V of Section B.

Vehicle donations. If you donated a car, boat, airplane, or other vehicle, you may have to attach a copy of Form 1098-C (or other statement) to your return. For details, see Cars, Boats, and Airplanes, earlier.

Clothing and household items not in good used condition. You must include with your return a Qualified appraisal, which is prepared by a Qualified appraiser, of any single donated item of clothing or any donated household item that isn’t in good used condition or better and for which you deduct more than $500. See Clothing and Household Items, earlier.

Qualified appraisal. A qualified appraisal is an appraisal document that:

- Is made, signed, and dated by a qualified appraiser (defined later) in accordance with the substance and principles of the Uniform Standards of Professional Appraisal Practice, as developed by the Appraisal Standards Board of the Appraisal Foundation;
- Meets the relevant requirements of Regulations section 1.170A-17(a);
- Has a valuation effective date no earlier than 60 days before the date of the contribution and no later than the date of the contribution. For an appraisal report dated on or after the date of the contribution, the valuation effective date must be the date of the contribution; and
- Does not involve a prohibited appraisal fee.

You must receive the qualified appraisal before the due date, including extensions, of the return on which a charitable contribution deduction is first claimed for the donated property. If the deduction is first claimed on an amended return, the qualified appraisal must be received before the date on which the amended return is filed. An appraisal is not a qualified appraisal if you fail to disclose or you misrepresent facts to your appraiser and a reasonable person would expect this failure or misrepresentation to cause the appraiser to misstate the value of the property you contributed.

Qualified appraiser. A qualified appraiser is an individual with verifiable education and experience in valuing the type of property for which the appraisal is performed.

1. The individual:
   a. Has earned an appraisal designation from a generally recognized professional appraisal organization, or
   b. Has met certain minimum education requirements and 2 or more years of experience. To meet the minimum education requirement, the individual must have successfully completed professional or college-level coursework obtained from:
      i. A professional or college-level educational organization,
      ii. A professional trade or appraisal organization that regularly offers educational programs in valuing the type of property, or
      iii. An employer as part of an employee apprenticeship or education program similar to professional or college-level courses.

2. The individual regularly prepares appraisals for which they are paid.

3. The individual is not an excluded individual.

See Pub. 561 for more information.

Easement on building in historic district. If you claim a deduction for a qualified conservation contribution for an easement on the exterior of a building in a registered historic district, you must include a qualified appraisal (defined earlier), photographs, and certain other

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information with your return. See Qualified Con-
servation Contribution, earlier.

Deduction over $500,000. If you claim a
deduction of more than $500,000 for a contribu-
tion of property, you must attach a Qualified ap-
praisal, which is prepared by a Qualified ap-
praiser, of the property to your return. This
doesn't apply to contributions of cash, qualified
vehicles for which you obtained a CWA, certain
inventory, publicly traded securities, or intellec-
tual property. See Regulations section 1.170A-16(e)(2).

In figuring whether your deduction is over
$500,000, combine the claimed deductions for
all similar items donated to any qualified organi-
zation during the year.

If you don't attach the appraisal, you can't
deduct your contribution, unless your failure to
attach it is due to reasonable cause and not to
willful neglect.

Form 8282. An organization must file Form
8282 if, within 3 years of receiving property for
which it was required to sign a Form 8283. It
sells, exchanges, consumes, or otherwise dis-
poses of the property. The organization must
also send you a copy of the form. However, the
organization need not file Form 8282 to report
the sale of an item if you signed a statement on
Section B of Form 8283 stating that the appra-
ised value of the item, or a specific item
within a group of similar items, was $500 or
less. For this purpose, all shares of nonpublicly
traded stock or securities, or items that form a
set (such as a collection of books written by the
same author or a group of place settings), are
considered to be one item.

How To Get Tax Help

If you have questions about a tax issue; need
help preparing your tax return; or want to down-
load free publications, forms, or instructions, go
to IRS.gov to find resources that can help you
right away.

Preparing and filing your tax return. After
receiving all your wage and earnings state-
ments (Forms W-2, W-2G, 1099-R, 1099-MISC,
1099-NEC, etc.); unemployment compensation
statements (by mail or in a digital format) or
other government payment statements (Form
1099-G); and interest, dividend, and retirement
statements from banks and investment firms
(Forms 1099), you have several options to
choose from to prepare and file your tax return.
You can prepare the tax return yourself, see if
you qualify for free tax preparation, or hire a tax
professional to prepare your return.

Free options for tax preparation. Go to
IRS.gov to see your options for preparing and
filing your return online or in your local commu-
nity, if you qualify, which include the following.

• Free File. This program lets you prepare
and file your federal individual income tax
return for free using brand-name tax-prep-
aration-and-filing software or Free File filla-
bles. However, state tax preparation
may not be available through Free File. Go
IRS.gov/FreeFile to see if you qualify for
free online federal tax preparation, e-filing,
and direct deposit or payment options.

• VITA. The Volunteer Income Tax Assis-
tance (VITA) program offers free tax help to
people with low-to-moderate incomes, per-
sons with disabilities, and limited-Eng-
lish-speaking taxpayers who need help
preparing their own tax returns. Go to
IRS.gov/VITA, download the free IRS2Go
app, or call 800-906-9887 for information
on free tax return preparation.

• TCE. The Tax Counseling for the Elderly
(TCE) program offers free tax help for all
taxpayers, particularly those who are 60
years of age and older. TCE volunteers
specialize in answering questions about
pensions and retirement-related issues
unique to seniors. Go to IRS.gov/TCE,
download the free IRS2Go app for informa-
tion on free tax return preparation.

• MiTax. Members of the U.S. Armed
Forces and qualified veterans may use Mi-
Tax, a free tax service offered by the De-
partment of Defense through Military One-
Source. For more information, go to
MilitaryOneSource (MilitaryOneSource.mil/
MiTax). Also, the IRS offers Free Fillable Forms,
which can be completed online and then
filed electronically regardless of income.

Using online tools to help prepare your re-
turn. Go to IRS.gov/Tools for the following.

• The Earned Income Tax Credit Assistant
IRS.gov/EITCAssistant determines if
you're eligible for the earned income credit
(EIC).

• The Online EIN Application (IRS.gov/EIN)
helps you get an employer identification
number (EIN) at no cost.

• The Tax Withholding Estimator (IRS.gov/
W4app) makes it easier for you to estimate
the federal income tax you want your em-
ployer to withhold from your paycheck.
This is tax withholding. See how your with-
holding affects your refund, take-home pay,
or tax due.

• The First-Time Homebuyer Credit Account
Look-up (IRS.gov/HomeBuyer) tool pro-
vides information on your repayments and
account balance.

• The Sales Tax Deduction Calculator
IRS.gov/SalesTax figures the amount you
can claim if you itemize deductions on
Schedule A (Form 1040).

Getting answers to your tax ques-
tions. On IRS.gov, you can get up-to-date information on current
events and changes in tax law.

• IRS.gov/Help: A variety of tools to help you
get answers to some of the most common
tax questions.

• IRS.gov/VITA: The Interactive Tax Assistant,
a tool that will ask you questions and,
based on your input, provide answers on
a number of tax law topics.

• IRS.gov/Forms: Find forms, instructions,
and publications. You will find details on
the most recent tax changes and interac-
tive links to help you find answers to your
questions.

• You may also be able to access tax law in-
formation in your electronic filing software.

Need someone to prepare your tax return?
There are various types of tax return preparers,
including enrolled agents, certified public ac-
countants (CPAs), accountants, and many oth-
ers who don't have professional credentials. If
you choose to have someone prepare your tax
return, choose that preparer wisely. A paid tax
preparer is:

• Primarily responsible for the overall sub-
stantive accuracy of your return;

• Required to sign the return, and

• Required to include their preparer tax iden-
tification number (PTIN).

Although the tax preparer always signs the
return, you’re ultimately responsible for provid-
ing all the information required for the preparer
to accurately prepare your return. Anyone paid
to prepare tax returns for others should have a
thorough understanding of tax matters. For
more information on how to choose a tax pre-
parer, go to Tips for Choosing a Tax Preparer on
IRS.gov.

Employers can register to use Business
Services Online. The Social Security Adminis-
tration (SSA) offers online service at SSA.gov/
employer for fast, free, and secure online W-2
filing options to CPAs, accountants, enrolled
agents, and individuals who process Form W-2,
Wage and Tax Statement, and Form W-2c, Cor-
rected Wage and Tax Statement.

IRS social media. Go to IRS.gov/SocialMedia
to see the various social media tools the IRS
uses to share the latest information on tax
changes, scam alerts, initiatives, products, and
services. At the IRS, privacy and security are
our highest priority. We use these tools to share
public information with you. Don't post your so-
cial security number (SSN) or other confidential
information on social media sites. Always pro-
tect your identity when using any social net-
working site.

The following IRS YouTube channels provide
short, informative videos on various tax-related
topics in English, Spanish, and ASL.

• Youtube.com/irsvideos
• Youtube.com/irsvideosmultilingual
• Youtube.com/irsvideosASL

Watching IRS videos. The IRS Video portal
IRSVideos.gov contains video and audio pre-
sentations for individuals, small businesses,
and tax professionals.

Online tax information in other languages.
You can find information on IRS.gov/MvLanguage if English isn’t your native lan-
guage.

Free Over-the-Phone Interpreter (OPI) Serv-
ice. The IRS is committed to serving our multi-
lingual customers by offering OPI services. The
OPI Service is a federally funded program and
is available at Taxpayer Assistance Centers
(TACs), other IRS offices, and every VITA/TCE
return site. The OPI Service is accessible in
more than 350 languages.
Accessibility Helpline available for taxpayers with disabilities. Taxpayers who need information about accessibility services can call 833-690-0598. The Accessibility Helpline can answer questions related to current and future accessibility products and services available in alternative media formats (for example, braille, large print, audio, etc.). The Accessibility Helpline does not have access to your IRS account. For help with tax law, refunds, or account-related issues, go to IRS.gov/GetHelp.

Note. Form 9000, Alternative Media Preference, or Form 9000(SP) allows you to elect to receive certain types of written correspondence in the following formats.
- Standard Print.
- Large Print.
- Braille.
- Audio (MP3).
- Plain Text File (TXT).
- Braille Ready File (BFR).

Disasters. Go to Disaster Assistance and Emergency Relief for Individuals and Businesses to view popular tax publications and instructions in eBook format. eBook format has been tested on other dedicated eBook readers, but eBook functionality may not operate as intended.

Getting tax forms and publications. Go to IRS.gov/Forms to view, download, or print all the forms, instructions, and publications you may need. Or, you can go to IRS.gov/OrderForms to place an order.

Getting tax publications and instructions in eBook format. You can also download and view popular tax publications and instructions (including the Instructions for Form 1040) on mobile devices as eBooks at IRS.gov/eBooks.

Note. IRS eBooks have been tested using Apple’s iBooks for iPad. Our eBooks haven’t been tested on other dedicated eBook readers, and eBook functionality may not operate as intended.

Access your online account (individual taxpayers only). Go to IRS.gov/Account to securely access information about your federal tax account.
- View the amount you owe and a breakdown by tax year.
- See payment plan details or apply for a new payment plan.
- Make a payment or view 5 years of payment history and any pending or scheduled payments.
- Access your tax records, including key data from your most recent tax return, and transcripts.
- View digital copies of select notices from the IRS.
- Approve or reject authorization requests from tax professionals.
- View your address on file or manage your communication preferences.

Tax Pro Account. This tool lets your tax professional submit an authorization request to access your individual taxpayer IRS online account. For more information, go to IRS.gov/TaxProAccount.

Using direct deposit. The fastest way to receive a tax refund is to file electronically and choose direct deposit, which securely and electronically transfers your refund directly into your financial account. Direct deposit also avoids the possibility that your check could be lost, stolen, destroyed, or returned undeliverable to the IRS. Eight in 10 taxpayers use direct deposit to receive their refunds. If you don’t have a bank account, go to IRS.gov/DirectDeposit for more information on where to find a bank or credit union that can open an account online.

Reporting and resolving your tax-related identity theft issues.
- Tax-related identity theft happens when someone steals your personal information to commit tax fraud. Your taxes can be affected if you file late or file a fraudulent return or to claim a refund or credit.
- The IRS doesn’t initiate contact with taxpayers by email, text messages (including shortened links), telephone calls, or social media channels to request or verify personal or financial information. This includes requests for personal identification numbers (PINs), passwords, or similar information for credit cards, banks, or other financial accounts.
- Go to IRS.gov/IdentityTheft, the IRS Identity Theft Central webpage, for information on identity theft and security protection for taxpayers, tax professionals, and businesses. If your SSN has been lost or stolen or you suspect you’re a victim of tax-related identity theft, you can learn what steps you should take.
- Get an Identity Protection PIN (IP PIN). IP PINs are six-digit numbers assigned to taxpayers to help prevent the misuse of their SSNs on fraudulent federal income tax returns. When you have an IP PIN, it prevents someone else from filing a tax return with your SSN. To learn more, go to IRS.gov/IPPIN.

Ways to check on the status of your refund.
- Go to IRS.gov/Refunds.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.

The IRS can’t issue refunds before mid-February for returns that claimed the EIC or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

Making a tax payment. Payments of U.S. tax must be remitted to the IRS in U.S. dollars. Digital Assets are not accepted. Go to IRS.gov/Payments for information on how to make a payment using any of the following options:
- IRS Direct Pay: Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- Debit, Credit Card, or Digital Wallet: Choose an approved payment processor to pay online or by phone.
- Electronic Funds Withdrawal: Schedule a payment when filing your federal taxes using tax return preparation software or through a tax professional.
- Electronic Federal Tax Payment System: Best option for businesses. Enrollment is required.
- Check or Money Order: Mail your payment to the address listed on the notice or instructions.
- Cash: You may be able to pay your taxes with cash at a participating retail store.
- Same-Day Wire: You may be able to do same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

Note. The IRS uses the latest encryption technology to ensure that the electronic payments you make online, by phone, or from a mobile device using the IRS2Go app are safe and secure.

What if I can’t pay now? Go to IRS.gov/Payments for more information about your options.
- Apply for an online payment agreement (IRS.gov/OA) to meet your tax obligation in monthly installments if you can’t pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the Offer in Compromise Pre-Qualifier to see if you can settle your tax debt for less than the full amount you owe. For more information on the Offer in Compromise program, go to IRS.gov/OIC.

Filing an amended return. Go to IRS.gov/Form1040X for information and updates.

Checking the status of your amended return. Go to IRS.gov/WMNAR to track the status of Form 1040-X amended returns.

It can take up to 3 weeks from the date you filed your amended return for it to show up in our system, and processing it can take up to 16 weeks.

Understanding an IRS notice or letter you’ve received. Go to IRS.gov/Notices to find additional information about responding to an IRS notice or letter.

Responding to an IRS notice or letter. You can now upload responses to all notices and letters using the Document Upload Tool. For notices that require additional action, taxpayers will be redirected appropriately on IRS.gov to take further action. To learn more about the tool, go to IRS.gov/Upload.

Note. You can schedule LEP (Form 1040). Request for Change in Language Preference, to state a preference to receive notices, letters, or other written communications from the IRS in an alternative language. You may not immediately receive written communications in the requested language. The IRS’s commitment to LEP taxpayers is a part of a multi-year timeline that began providing translations in 2023. You will continue to receive communications, including
notices and letters, in English until they are translated to your preferred language.

**Contacting your local TAC.** Keep in mind, many questions can be answered on IRS.gov without visiting a TAC. Go to IRS.gov/LetUsHelp for the topics people ask about most. If you still need help, TACs provide tax help when a tax issue can’t be handled online or by phone. All TACs now provide service by appointment, so you’ll know in advance that you can get the service you need without long wait times. Before you visit, go to IRS.gov/TACLocator to find the nearest TAC and to check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on “Local Offices.”

**The Taxpayer Advocate Service (TAS) Is Here To Help You**

**What Is TAS?**

TAS is an independent organization within the IRS that helps taxpayers and protects taxpayer rights. TAS strives to ensure that every taxpayer is treated fairly and that you know and understand your rights under the Taxpayer Bill of Rights.

**How Can You Learn About Your Taxpayer Rights?**

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to TaxpayerAdvocate.IRS.gov to help you understand what these rights mean to you and how they apply. These are your rights. Know them. Use them.

**What Can TAS Do for You?**

TAS can help you resolve problems that you can’t resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You’ve tried repeatedly to contact the IRS but no one has responded, or the IRS hasn’t responded by the date promised.

**How Can You Reach TAS?**

TAS has offices in every state, the District of Columbia, and Puerto Rico. To find your advocate’s number:

- Go to TaxpayerAdvocate.IRS.gov/Contact-Us;
- Call the IRS toll free at 800–TAX-FORM (800–829–3676) to order a copy of Pub. 1546;
- Check your local directory; or
- Call TAS toll free at 877–777–4778.

**How Else Does TAS Help Taxpayers?**

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, report it to TAS at IRS.gov/SAMS. Be sure to not include any personal taxpayer information.

**Low Income Taxpayer Clinics (LITCs)**

LITCs are independent from the IRS and TAS. LITCs represent individuals whose income is below a certain level and need to resolve tax problems with the IRS. LITCs can represent taxpayers in audits, and tax collection disputes before the IRS and in court. In addition, LITCs can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. For more information or to find an LITC near you, go to the LITC page at TaxpayerAdvocate.IRS.gov/LITC or see IRS Pub. 4134, Low Income Taxpayer Clinic List, at IRS.gov/pub/irs-pdf/p4134.pdf.
### Index

To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.

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PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I
To be informed of the organization’s mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II
To be informed of the identity of those serving on the organization’s governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

III
To have access to the organization’s most recent financial statements.

IV
To be assured their gifts will be used for the purposes for which they were given.

V
To receive appropriate acknowledgement and recognition.

VI
To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII
To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII
To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX
To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X
To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.
# Donee Information Return

(Sale, Exchange, or Other Disposition of Donated Property)

- Go to [www.irs.gov/Form8282](http://www.irs.gov/Form8282) for latest information.

**Give a Copy to Donor**

## Parts To Complete

- If the organization is an **original donee**, complete **Identifying Information**, Part I (lines 1a–1d and, if applicable, lines 2a–2d), and Part III.
- If the organization is a **successor donee**, complete **Identifying Information**, Part I, Part II, and Part III.

### Identifying Information

<table>
<thead>
<tr>
<th>Print or Type</th>
<th>Name of charitable organization (donee)</th>
<th>Employer identification number</th>
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<tr>
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<tr>
<th>Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)</th>
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<tr>
<td>City or town, state, and ZIP code</td>
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## Part I  
**Information on ORIGINAL DONOR and SUCCESSOR DONEE Receiving the Property**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
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<tbody>
<tr>
<td>1a</td>
<td>Name of original donor of the property</td>
</tr>
<tr>
<td>1b</td>
<td>Identifying number(s)</td>
</tr>
<tr>
<td>1c</td>
<td>Address (number, street, and room or suite no.) (P.O. box no. if mail is not delivered to the street address)</td>
</tr>
<tr>
<td>1d</td>
<td>City or town, state, and ZIP code</td>
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</tbody>
</table>

**Note.** Complete lines 2a–2d only if the organization gave this property to another charitable organization (successor donee).

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
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<tbody>
<tr>
<td>2a</td>
<td>Name of charitable organization</td>
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<tr>
<td>2b</td>
<td>Employer identification number</td>
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<td>2c</td>
<td>Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)</td>
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<tr>
<td>2d</td>
<td>City or town, state, and ZIP code</td>
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## Part II  
**Information on PREVIOUS DONEES. Complete this part only if the organization was not the first donee to receive the property.** See the instructions before completing lines 3a through 4d.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
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<tr>
<td>3a</td>
<td>Name of original donee</td>
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<td>3b</td>
<td>Employer identification number</td>
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<td>3c</td>
<td>Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)</td>
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<tr>
<td>3d</td>
<td>City or town, state, and ZIP code</td>
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<tr>
<td>4a</td>
<td>Name of preceding donee</td>
</tr>
<tr>
<td>4b</td>
<td>Employer identification number</td>
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<tr>
<td>4c</td>
<td>Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)</td>
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<tr>
<td>4d</td>
<td>City or town, state, and ZIP code</td>
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For Paperwork Reduction Act Notice, see Instructions for Form 990.  

Cat. No. 62307Y  

Form 8282 (Rev. 10-2021)
Part III  Information on DONATED PROPERTY

1. Description of the donated property sold, exchanged, or otherwise disposed of and how the organization used the property. (If you need more space, attach a separate statement.)

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2. Did the disposition involve the organization's entire interest in the property? Yes No

3. Was the use related to the organization's exempt purpose or function? Yes No

4. Information on use of property.
   • If you answered "Yes" to question 3 and the property was tangible personal property, describe how the organization's use of the property furthered its exempt purpose or function. Also complete Part IV below.
   • If you answered "No" to question 3 and the property was tangible personal property, describe the organization's intended use (if any) at the time of the contribution. Also complete Part IV below. If the intended use at the time of the contribution was related to the organization's exempt purpose or function and it became impossible or infeasible to implement.

---

Donated Property

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Date the organization received the donated property (MM/DD/YY)</td>
<td>/</td>
<td>/</td>
<td>/</td>
</tr>
<tr>
<td>6</td>
<td>Date the original donee received the property (MM/DD/YY)</td>
<td>/</td>
<td>/</td>
<td>/</td>
</tr>
<tr>
<td>7</td>
<td>Date the property was sold, exchanged, or otherwise disposed of (MM/DD/YY)</td>
<td>/</td>
<td>/</td>
<td>/</td>
</tr>
<tr>
<td>8</td>
<td>Amount received upon disposition</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Part IV  Certification
You must sign the certification below if any property described in Part III above is tangible personal property and:
   • You answered "Yes" to question 3 above, or
   • You answered "No" to question 3 above and the intended use of the property became impossible or infeasible to implement.

Under penalties of perjury and the penalty under section 6720B, I certify that either: (1) the use of the property that meets the above requirements, and is described above in Part III, was substantial and related to the donee organization's exempt purpose or function; or (2) the donee organization intended to use the property for its exempt purpose or function, but the intended use has become impossible or infeasible to implement.

Signature of officer          Title          Date

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer          Title          Date

Type or print name

Form 8282 (Rev. 10-2021)
General Instructions

Section references are to the Internal Revenue Code.

Future developments. For the latest information about developments related to Form 8282 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form8282.

Purpose of Form

Donee organizations use Form 8282 to report information to the IRS and donors about dispositions of certain charitable deduction property made within 3 years after the donor contributed the property.

Definitions

For Form 8282 and these instructions, the term “donee” includes all donees, unless specific reference is made to “original” or “successor” donees.

Original donee. The first donee to or for which the donor gave the property. The original donee is required to sign Form 8282, Noncash Charitable Contributions, Section B. Donated Property Over $5,000 (Except Certain Publicly Traded Securities), presented by the donor for charitable deduction property.

Successor donee. Any donee of property other than the original donee.

Charitable deduction property. Any donated property (other than money and publicly traded securities) if the claimed value exceeds $5,000 per item or group of similar items donated by the donor to one or more donee organizations. This is the property listed in Section B on Form 8282.

Who Must File

Original and successor donee organizations must file Form 8282 if they sell, exchange, consume, or otherwise dispose of (with or without consideration) charitable deduction property (or any portion) within 3 years after the date the original donee received the property. See Charitable deduction property above.

If the organization sold, exchanged, or otherwise disposed of motor vehicles, airplanes, or boats, see Pub. 526, Charitable Contributions.

Exceptions. There are two situations where Form 8282 does not have to be filed.

1. Items valued at $500 or less. The organization does not have to file Form 8282 if, at the time the original donee signed Section B of Form 8283, the donor had signed a statement on Form 8283 that the appraised value of the specific item was not more than $500. If Form 8283 contains more than one item, this exception applies only to those items that are clearly identified as having a value of $500 or less. However, for purposes of the donor’s determination of whether the appraised value of the item exceeds $500, all shares of nonpublicly traded stock, or items that form a set, are considered one item. For example, a collection of books written by the same author, components of a stereo system, or six place settings of a pattern of silverware are considered one item.

2. Items consumed or distributed for charitable purpose. The organization does not have to file Form 8282 if an item is consumed or distributed, without consideration, in fulfilling your purpose or function as a tax-exempt organization. For example, no reporting is required for medical supplies consumed or distributed by a tax-exempt relief organization in aiding disaster victims.

When To File

If the organization disposes of charitable deduction property within 3 years of the date the original donee received it and the organization does not meet exception 1 or 2 above, the organization must file Form 8282 within 125 days after the date of disposition.

Exception. If the organization did not file because it had no reason to believe the substantiation requirements applied to the donor, but the organization later becomes aware that the substantiation requirements did apply, the organization must file Form 8282 within 60 days after the date it becomes aware it was liable. For example, this exception would apply where Section B of Form 8283 is furnished to a successor donee after the date that donee disposes of the charitable deduction property.

Missing information. If Form 8282 is filed by the due date, enter the organization’s name, address, and employer identification number (EIN) and complete at least Part III, columns 1, 2, 3, and 4; and Part IV. The organization does not have to complete the remaining items if the information is not available. For example, the organization may not have the information necessary to complete all entries if the donor did not make Section B of Form 8283 available.

Where To File

Send Form 8282 to the Department of Treasury, Internal Revenue Service Center, Ogden, UT 84201-0027.

Other Requirements

Information the organization must give a successor donee. If the property is transferred to another charitable organization within the 3-year period discussed earlier, the organization must give the successor donee all of the following information.

1. The name, address, and EIN of the organization.

2. A copy of Section B of Form 8283 that the organization received from the donor or a preceding donee. The preceding donee is the one who gave the organization the property.

3. A copy of this Form 8282, within 15 days after the organization files it.

The organization must furnish items 1 and 2 above within 15 days after the latest of the date:

• The organization transferred the property,

• The original donee signed Section B of Form 8283,

• The organization received a copy of Section B of Form 8283 from the preceding donee if the organization is also a successor donee.

Information the successor donee must give the organization. The successor donee organization to whom the organization transferred this property is required to give the organization its name, address, and EIN within 15 days after the later of:

• The date the organization transferred the property, or

• The date the successor donee received a copy of Section B of Form 8283.
Information the organization must give the donor. The organization must give a copy of Form 8282 to the original donor of the property.

Recordkeeping. The organization must keep a copy of Section B of Form 8283 in its records.

Penalties
Failure to file penalty. The organization may be subject to a penalty if it fails to file this form by the due date, fails to include all of the information required to be shown on the filed form, or includes incorrect information on the filed form. The penalty is generally $50 per form. For more details, see sections 6721 and 6724.

Fraudulent identification of exempt use property. A $10,000 penalty may apply to any person who identifies in Part III tangible personal property the organization sold, exchanged, or otherwise disposed of, as having a use that is related to a purpose for function knowing that such property was not intended for such a use. For more details, see section 6720B.

Specific Instructions

Part I
Line 1a. Enter the name of the original donor.
Line 1b. The donor's identifying number may be either an employer identification number or a social security number, and should be the same number provided on page 2 of Form 8283.
Line 1c and 1d. Enter the last known address of the original donor.
Lines 2a–2d. Complete these lines if the organization gave the property to another charitable organization successor donee (defined earlier). If the organization is an original donee, skip Part II and go to Part III.

Part II
Complete Part II only if the organization is a successor donee. If the organization is the original donee, do not complete any lines in Part II; go directly to Part III.

If the organization is the second donee, complete lines 3a through 3d. If the organization is the third or later donee, complete lines 3a through 4d. On lines 4a through 4d, give information on the preceding donee.

Part III
Column 1. For charitable deduction property that the organization sold, exchanged, or otherwise disposed of within 3 years of the original contribution, describe each item in detail. For a motor vehicle, include the vehicle identification number. For a boat, include the hull identification number. For an airplane, include the aircraft identification number. Additionally, for the period of time the organization owned the property, explain how it was used. If additional space is needed, attach a statement.

Column 3. Check “Yes” if the organization’s use of the charitable deduction property was related to its exempt purpose or function. Check “No” if the organization sold, exchanged, or otherwise disposed of the property without using it.

Part IV
Certification. Sign and date the certification if any property described in Part III is tangible personal property and you answered “Yes” to Part III, question 3, or you answered “No” to Part III, question 3 and the intended use of the property became impossible or infeasible to implement.

Signature
Form 8282 is not valid unless it is signed by an officer of the organization. Be sure to include the title of the person signing the form and the date the form was signed.

How To Get Tax Help
Internet
You can access the IRS website 24 hours a day, 7 days a week, at www.irs.gov to:
• Download forms and publications.
• Order IRS products online.
• Research your tax questions online.
• Search publications online by topic or keyword.
• Use the online Internal Revenue Code (IRC), Regulations, or other official guidance.
• View Internal Revenue Bulletins (IRBs) published in the last few years.
• Sign up to receive local and national tax news by email. To subscribe, visit www.irs.gov/Charters.

Ordering Forms and Publications
Visit www.irs.gov/Formspubs to download forms and publications. Otherwise, you can go to www.irs.gov/OrderForms to order current and prior-year forms and instructions. Your order should arrive within 10 business days.

Phone Help
If you have questions and/or need help completing this form, please call 877-829-5500. This toll-free telephone service is available Monday through Friday.