

IRS News Release

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Tax Preparedness Series: This #GivingTuesday Remember Donations May Cut Tax Bills

Note to Editor: This is the fourth in a series of reminders to help taxpayers prepare for the upcoming tax filing season.

IRS YouTube Videos:

Charitable Contributions: [English](#) | [Spanish](#) | [ASL](#)

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WASHINGTON – As tax filing season approaches, the Internal Revenue Service reminds taxpayers who give money or goods to a charity by Dec. 31, 2016, that they may be able to claim a deduction on their 2016 federal income tax return and reduce their taxes.

Only donations to eligible organizations are tax-deductible. IRS [Select Check](#) on IRS.gov is a searchable online tool that lists most eligible charitable organizations. Churches, synagogues, temples, mosques and government agencies are eligible to receive deductible donations even if they are not listed in this database.

Claiming Charitable Donations

Only taxpayers who itemize using [Form 1040 Schedule A](#) can claim deductions for charitable contributions. Charitable deductions are not available to individuals who choose the standard deduction or file Form 1040A or 1040EZ. Most tax software will alert taxpayers about the tax savings available if their itemized deductions, such as mortgage interest, charitable contributions, state and local taxes, exceed the standard deduction.

Monetary Donations

A bank record or a written statement from the charity is needed to prove the amount of any donation of money. Bank records include canceled checks, and bank, credit union and credit card statements. Donations of money include by check, electronic funds transfer, credit card and payroll deduction. For payroll deductions, the taxpayer should retain a pay stub, a Form W-2 wage statement or other document furnished by the employer showing the total amount withheld for charity, along with the pledge card showing the name of the charity.

Donating Property

For donations of clothing and other household items the deduction amount is normally limited to the item's fair market value. Household items include furniture, furnishings, electronics, appliances and linens. Clothing and household items must be in good or better condition to be tax-deductible. A clothing or household item for which a taxpayer claims a deduction of over \$500 does not have to meet this standard if the taxpayer includes a qualified appraisal of the item with the return.

Donors must get a written acknowledgement from the charity for all gifts worth \$250 or more. It must include, among other things, a description of the items contributed. Special rules apply to

cars, boats and other types of property donations.

Benefit in Return.

Donors who get something in return for their donation may have to reduce their deduction. Examples of benefits include merchandise, meals, tickets to an event or other goods and services.

Older IRA Owners Have a Different Way to Give

IRA owners, age 70½ or older, can transfer up to \$100,000 per year to an eligible charity tax-free. Funds must be transferred directly by the IRA trustee to the eligible charity. For details, see Publication 590-B.

Good Records

The type of records a taxpayer needs to keep depends on the amount and type of the donation. An additional reporting form is required for many property donations and an appraisal is often required for larger donations of property. Visit IRS.gov and check out these useful resources:

- [Charities and Non Profits](#)
- [Publication 526, Charitable Contributions](#)
- [Can I Deduct My Charitable Contributions?](#)