

# Instructions for Form 8283

(Revised October 1987)

## Noncash Charitable Contributions

(Section references are to the Internal Revenue Code, unless otherwise noted.)

### General Instructions

**Paperwork Reduction Act Notice.**—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

### Purpose of Form

You must attach Form 8283 to your return if you claim a deduction for a charitable contribution of property **other than cash** (a contribution by check is considered **cash**) if the total claimed value of all property contributed exceeds \$500. Depending on the value and type of property, you may need to complete Section A, Section B, or both.

### Who Must File

- Individuals.
- Closely held corporations.
- Personal service corporations.
- Partnerships.
- S corporations.

### When To File

File this form with your tax return for the tax year in which you contributed the property and first deducted it on your return.

### Which Sections To Complete

**Section A.**—Include in Section A only items (or groups of similar items) with a fair market value (FMV) of \$5,000 or less per item (or group of similar items) and certain publicly traded securities (even if their value exceeds \$5,000).

The publicly traded securities that are reportable in Section A even if their value exceeds \$5,000 are securities which are:

1. Listed on a stock exchange in which quotations are published on a daily basis; or
2. Regularly traded in a national or regional over-the-counter market for which published quotations are available.

**Section B.**—Include in Section B only items (or groups of similar items) with a FMV of more than \$5,000 (except for certain publicly traded securities reportable in Section A).

Similar items of property are items of the same generic category or type, such as stamp collections, coin collections, lithographs, paintings, books, nonpublicly traded stock, land, or buildings.

**Example.** A taxpayer donated clothing valued at \$400, publicly traded securities (quotations for which are published daily) valued at \$7,000, and a collection of 15 books to a charitable organization. Each book in the collection is valued at \$400 (\$6,000 total). The taxpayer should report the clothing and the securities in Section A and the books (which are a group of similar items) in Section B.

With certain exceptions, items reported in Section B will require information based on a written appraisal by a qualified appraiser.

### Specific Instructions

**Identification Number.**—Donors who are individuals must enter their social security number. All other donors should enter their employer identification number.

**Partnerships and S Corporations.**—A partnership (S corporation) that makes contributions of property with a total claimed FMV over \$500 must file Form 8283 with Form 1065 (1120S). If the claimed FMV of any item or group of similar items exceeds \$5,000, the partnership (S corporation) must complete Section B of Form 8283 even if the amount allocated to each partner (shareholder) does not exceed \$5,000.

The partnership (S corporation) is required to give a copy of the complete Form 8283 to every partner (shareholder) who receives an allocation of a deduction for donated property shown on the partnership's (S corporation's) Section B.

**Partners and Shareholders.**—The partnership (S corporation) will provide you with information on your share of the value of contributed property with your Schedule K-1 (Form 1065 or Form 1120S).

In some cases, the partnership (S corporation) is required to give you a copy of the partnership's (S corporation's) Form 8283. In these cases attach a copy of the Form 8283 you received to your tax return. Be sure to deduct the amount shown on your Schedule K-1, not the amount shown on the Form 8283.

If the partnership is not required to give you a copy of Form 8283, combine the amount of noncash contributions shown on Schedule K-1 with any noncash contributions you made to see if you must file Form 8283. If you need to file Form 8283, you do not have to complete all the information requested in Section A for your share of the partnership (S corporation) contributions. Do not complete line 1, columns (a)–(f) and (h). Instead, write "From Schedule K-1 (Form 1065 or 1120S)" across columns (c)–(f). Enter your share of the contribution on line 1, column (g).

### Section A

#### Part I, Information on Donated Property

**Line 1, column (b).**—Describe the property in sufficient detail. The greater the value, the more detail is needed. For example, a car should be described in greater detail than a contribution of pots and pans.

For securities, the description should include the name of the issuer, kind of security, and whether or not the security is regularly traded on a stock exchange or in an over-the-counter market.

**Note:** Columns (d), (e), and (f) do not have to be completed if (g) is \$500 or less.

**Line 1, column (d).**—Enter the approximate date you acquired the property. If the property was created, produced, or manufactured by or for you, enter the date the property was substantially completed.

**Line 1, column (e).**—State how you acquired the property, i.e., by purchase, gift, inheritance, or exchange.

**Line 1, column (f).**—You do not have to complete this column for:

- Publicly traded securities; or
- Property held 6 months or more for which the information is not available.

If you do not have to complete column (f), be sure to keep your records regarding the property's cost or other basis.

**Note:** If you have reasonable cause for not providing the acquisition date in column (d) or the cost basis when required in column (f), attach an explanation.

**Line 1, column (g).**—Enter the FMV of property on the date you gave it. The FMV is the price a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If you donate property, other than certain publicly traded stock, with an FMV that is more than your basis in it, you may have to reduce the FMV by all or part of the increase in value when you figure your deduction. The amount of the reduction depends on whether the property is ordinary income property or capital gain property.

Property is ordinary income property if its sale on the date it was contributed would have resulted in ordinary income or in short-term capital gain. Examples of ordinary income property are inventory, works of art created by the donor, and capital assets held for 6 months or less (1 year or less if acquired after 12-31-87). The deduction for a gift of ordinary income property is limited to the FMV less the amount that would be ordinary income if the property were sold at its FMV.

Capital gain property is property that would result in long-term capital gain if it were sold at its FMV on the date of contribution. It includes certain real property and depreciable property used in your trade or business, and generally held for more than 6 months (more than 1 year if acquired after 12-31-87). You usually may deduct gifts of capital gain property at their FMV. However, you must reduce the FMV by the amount of the appreciation if: the capital gain property is contributed to certain private nonoperating foundations; you choose the 50% limit instead of the special 30% limit; or the contributed property is tangible personal property that is put to an unrelated use by the charity.

Attach a computation showing your reduction to the FMV. For more information, get **Publication 526**, Charitable Contributions. If you contribute depreciable property, also get **Publication 544**, Sales and Other Dispositions of Assets.

If your donation qualifies as a "qualified conservation contribution" under section 170(h), attach a statement that shows the claimed FMV of the underlying property before and after the gift and the conservation purpose furthered by the gift.

**Line 1, column (h).**—Enter the method(s) you used to determine the FMV of your donation. FMV of used household goods and

clothing is usually much lower than the price paid when new. For this reason, standard formulas or methods to value this kind of property are generally not appropriate. A good measure of value for this kind of property might be the price that buyers of these used items actually pay in consignment or thrift shops.

Examples of entries to make include "Appraisal," "Thrift shop value" (for clothing or household goods), "Catalog" (for stamp or coin collections), or "Comparable sales" (for real estate and other kinds of assets).

See **Publication 561**, Determining the Value of Donated Property, for more information on methods of valuing different kinds of property.

## Part II, Other Information

Attach a separate statement if there is more than one property to which Part II applies. Give the information which the form requires for each property separately and identify which property listed in Part I the information relates to.

**Line 2.**—Complete lines 2(a)–2(e) only if you contributed less than the entire interest in the donated property during the tax year. Enter on line 2(b) the amount claimed as a deduction for this year and in any earlier tax years for gifts of a partial interest in the same property. If the organization that received the prior interest in the property is the same as the one listed on line 1, column (a), you do not have to complete line 2(c).

**Line 3.**—Complete lines 3(a)–3(c) only if you attached restrictions to the right to the income, use, or disposition of the donated property. Attach a statement explaining:

- The terms of any agreement or understanding that relate to the income, use, sale, or other disposition of the property; and
- Whether the property is designated for a particular use, e.g., the use of donated furniture in the reading room of the organization's library.

## Section B

### Part I, Donee Acknowledgment

The donee organization must complete Part I. Before submitting Form 8283 to the donee for acknowledgment, complete at least your name, identification number, and description of the donated property (line 3, column (a)). If tangible property is donated, you must also describe the physical condition of the property (line 4) at the time of the gift. Complete the Taxpayer (Donor) Statement in Part III, if it is applicable, before submitting Form 8283 to the donee. See the instructions for Part III.

The person acknowledging the gift must be an official authorized to sign the tax returns of the organization, or a person specifically designated to sign Form 8283. After completing Part I, the organization must return Form 8283 to you, the donor. A copy of this form must be provided to the donee organization for its records. You may then complete any remaining information required in Part II. Also, Part IV may be completed at this time by the qualified appraiser.

**Note:** If the donee organization sells, exchanges, transfers, or otherwise disposes of the property within two years after the date of the receipt of the contribution, the organization must file an information return

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on **Form 8282, Donee Information Return, with the IRS and send a copy to the donor. However, an exception applies to items having a value of \$500 or less which are part of a group of similar items contributed. For these items, a donee organization does not have to file Form 8282 if the donor completed and signed the statement in Part III (Section B) of Form 8283. This rule applies only to items clearly identified in Part II as having a value of \$500 or less.**

### Part II, Information on Donated Property

The information provided in Part II must be based on a written appraisal by a qualified appraiser unless the property donated is:

- Nonpublicly traded stock valued at \$10,000 or less; or
- Securities for which market quotations are considered to be readily available because the issue satisfies the five requirements explained in Announcement 86-4, 1986-4 I.R.B. 51. At the time this form went to print, final regulations for section 170 were being written that will incorporate the information in this Announcement.

Use Part II to summarize your appraisal or appraisals. Generally, you do not need to attach the appraisals, but you should keep them for your records. **Exception:** For art with an aggregate value of \$20,000 or more and donated after December 31, 1987, you must attach a complete copy of the signed appraisal and include an 8 x 10 inch color photograph (or a color transparency, no smaller than 4 x 5 inches). These attachments are optional for art donated before January 1, 1988.

The appraisal must be made not earlier than 60 days before the date you contribute the property. It must be received by you before the due date (including extensions) of the return on which the deduction is first claimed. For a deduction first claimed on an amended return, the appraisal must be received before the date the amended return was filed.

A separate qualified appraisal and a separate Form 8283 is required for each item of property except for an item which is part of a group of similar items of property. Only one qualified appraisal is required for a group of similar items of property contributed in the same tax year, provided the appraisal includes all the required information for each item.

The appraiser may select any items whose aggregate value is appraised at \$100 or less for which a group description rather than a specific description of each item will suffice.

If similar items of property are given to more than one donee and the total is more than \$5,000, a separate Form 8283 must be attached for each donee. For example, if you deduct \$2,000 for books given to College A, and \$2,500 for books given to College B, and \$900 for books given to a public library, you must attach a separate Form 8283 for each donee.

See temporary regulations section 1.170A-13T(c)(3)(i)–(ii) for a definition of a qualified appraisal and for information to be included in the appraisal.

**Line 3.**—In column (a) describe the property in enough detail so that a person who is not familiar with the type of property could determine that the property appraised is the property that was contributed.

Include in column (e) the FMV from the qualified appraisal. For property for which a

qualified appraisal was not required, include the FMV you determine to be correct.

If you have reasonable cause for being unable to provide the information for columns (b), (c), and (d), attach an explanation to prevent your deduction from being automatically disallowed.

### Part III, Taxpayer (Donor) Statement

If you (the donor) complete Part III, the donee is relieved of filing Form 8282 for items having a value of \$500 or less. See the **Note** in the Part I instructions of this section for more information on the filing of Form 8282 by the donee.

Complete Part III only for donated items that are included in Section B and have an appraised value of \$500 or less per item. Be sure to also clearly identify these items in Part II.

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 for the \$500 test.

**Example.** A taxpayer donated 15 books to a charitable organization. The value of each book is \$400 (\$6,000 total). Ten of the books are by the same author. The taxpayer should report all 15 books in Part II. The taxpayer should also complete Part III for the 5 books which are by different authors.

### Part IV, Certification of Appraiser

You must have an appraiser complete Part IV for any property for which an appraisal is required. This section **MUST** be completed in order for the individual to be considered a qualified appraiser. See temporary regulations section 1.170A-13T(c)(5) for a definition of a qualified appraiser.

Persons who cannot be qualified appraisers are listed in the Certification of Appraiser (Part IV) of Form 8283. Usually, a party to the transaction will not qualify to sign the certification. However, a person who sold, exchanged, or gave the property to the donor may sign the certification if the property is donated within two months of the date the donor acquired it and the property's appraised value does not exceed its acquisition price.

An appraiser may not be considered qualified if the donor had knowledge of facts that would cause a reasonable person to expect the appraiser to overstate falsely the value of the donated property. An indication that this is true is an agreement between the donor and the appraiser concerning the amount at which the property will be valued and such an amount exceeds the fair market value of the property.

Usually, appraisal fees cannot be based on a percentage of the appraised property value unless the fees were paid to certain not-for-profit associations. See temporary regulations section 1.170A-13T(c)(6)(ii) for the requirements which have to be met.

**Failure To File Form 8283, Section B.**—If you give property required to be reported in Section B and you fail to attach the form to your return, the deduction will not be allowed unless your failure was due to a good faith omission. If the IRS requests that you submit this form because you had not attached it to your return, you have 90 days to submit a completed Section B of Form 8283 before the charitable deduction is disallowed.