



# Instructions for Form 8283

(Revised October 1995)

## Noncash Charitable Contributions

### Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** . . . . . 20 min.
- Learning about the law or the form** . . . . . 26 min.
- Preparing the form** . . . . . 35 min.
- Copying, assembling, and sending the form to the IRS** . . . . . 35 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

### General Instructions

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

#### Purpose of Form

Use Form 8283 to report certain required information about noncash charitable contributions.

**Do not** use Form 8283 to report out-of-pocket expenses for volunteer work or amounts you gave by check or credit card. Treat these items as cash contributions. Also, **do not** use Form 8283 to figure your charitable contribution deduction. For details on how to figure the amount of the deduction, see your tax return instructions.

#### Additional Information

You may want to get **Pub. 526**, Charitable Contributions (for individuals), and **Pub. 561**, Determining the Value of Donated Property. If you contributed depreciable property, get **Pub. 544**, Sales and Other Dispositions of Assets.

#### Who Must File

You must file Form 8283 if the amount of your deduction for all noncash gifts is more than \$500. For this purpose, "amount of your deduction" means your deduction **before** applying any income limits that could result in a carryover. The carryover rules are explained in Pub. 526. Make any required reductions to fair market value (FMV) before you determine if you must file Form 8283. See the FMV discussion on this page.

Form 8283 is filed only by individuals, partnerships, S corporations, closely held corporations, personal service corporations, and other C corporations.

**Note:** *C corporations, other than personal service corporations and closely held corporations, must file Form 8283 only if the amount claimed as a deduction is over \$5,000.*

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

The partnership or S corporation must give a completed copy of Form 8283 to each partner or shareholder who receives an allocation of the contribution deduction shown in Section B of the partnership's or S corporation's Form 8283.

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

In some cases, the partnership or S corporation must give you a copy of its Form 8283. In these cases, attach a copy of the Form 8283 you received to your tax return. Deduct the amount shown on your Schedule K-1, not the amount shown on the Form 8283.

If the partnership or S corporation is not required to give you a copy of its Form 8283, combine the amount of noncash contributions shown on your Schedule K-1 with your other noncash contributions 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 or S corporation's contributions. Complete only column (g) of line 1 with your share of the contribution and write "From Schedule K-1 (Form 1065 or Form 1120S)" across columns (c)–(f).

#### When To File

File Form 8283 with your tax return for the year you contribute the property and first claim a deduction.

#### Fair Market Value (FMV)

Although the **amount** of your deduction determines if you have to file Form 8283, you also need to have information about the **value** of your contribution to complete the form.

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 sale conditions.

You may not always be able to deduct the FMV of your contribution. Depending on the type of property donated, you may have to reduce the FMV to get to the deductible amount, as explained next.

**Reductions to FMV.**—Attach a statement to your tax return showing how the reduction was figured. The amount of the reduction (if any) depends on whether the property is ordinary income property or capital gain property.

**Ordinary income property** is property that would result in ordinary income or short-term capital gain if it were sold on the date it was contributed. Examples of ordinary income property are inventory, works of art created by the donor, and capital assets held for 1 year or less. The deduction for a gift of ordinary income property is limited to the FMV minus the amount that would be ordinary income or short-term capital gain 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 it was contributed. It includes certain real property and depreciable property used in your trade or business, and generally held for more than 1 year. You usually may deduct gifts of capital gain property at their FMV. However, you must reduce the FMV by the amount of any 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.

**Qualified Conservation Contribution.**—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.

### Which Sections To Complete

If you must file Form 8283, you may need to complete Section A, Section B, or both, depending on the type of property donated and the amount claimed as a deduction.

#### Section A

Include in Section A only items (or groups of similar items as defined on this page) for which you claimed a deduction of \$5,000 or less per item (or group of similar items). Also, include the following publicly traded securities even if the deduction is more than \$5,000.

1. Securities listed on an exchange in which quotations are published daily,
2. Securities regularly traded in national or regional over-the-counter markets for which published quotations are available, or
3. Securities that are shares of a mutual fund for which quotations are published on a daily basis in a newspaper of general circulation throughout the United States.

#### Section B

Include in Section B only items (or groups of similar items) for which you claimed a deduction of more than \$5,000 (except for certain publicly traded securities reportable in Section A).

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

#### Similar Items of Property

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.** You claimed a deduction of \$400 for clothing, \$7,000 for publicly traded securities (quotations published daily), and \$6,000 for a collection of 15 books (\$400 for each book). Report the clothing and the securities in Section A and the books (a group of similar items) in Section B.

### Special Rule for Contributions of Inventory and Scientific Equipment by Certain C Corporations

A special rule applies for deductions taken by certain C corporations under section 170(e)(3) or (4) for contributions of inventory or scientific equipment. To determine if you must file Form 8283, or which section to complete, use the difference between the amount you claimed as a deduction and the amount you would have claimed as cost of goods sold (COGS) had you sold the property instead. This rule is **only** for purposes of Form 8283. It does not change the amount or method of figuring your contribution deduction.

If you do not have to file Form 8283 because of this rule, you must attach a statement to your tax return (similar to the one in the example below). Also, attach a statement if you must complete Section A instead of Section B because of this rule.

**Example.** You donated clothing from your inventory for the care of the needy. The clothing cost you \$5,000 and your claimed charitable deduction is \$8,000. Complete Section A instead of Section B because the difference between the amount you claimed as a charitable deduction and the amount that would have been your COGS deduction is \$3,000 (\$8,000 – \$5,000). Attach a statement to Form 8283 similar to the following:

#### Form 8283—Inventory

\$8,000	Contribution deduction
<u>- \$5,000</u>	COGS (if sold, not donated)
= \$3,000	For Form 8283 filing purposes

## Specific Instructions

### Identifying Number

Individuals must enter their social security number. All other filers should enter their employer identification number.

## 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 that is needed. For example, a car should be described in more detail than pots and pans.

For securities, include the following:

- Name of the issuer,
- Kind of security,
- If it is a share of a mutual fund, and
- If it is regularly traded on a stock exchange or in an over-the-counter market.

**Note:** If the amount you claimed as a deduction for the item is \$500 or less, you don't have to complete columns (d), (e), and (f).

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

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

**Column (f).**—Do not complete this column for publicly traded securities or property held 12 months or more. Keep records on cost or other basis.

**Note:** If you have reasonable cause for not providing the information in columns (d) and (f), attach an explanation.

**Column (g).**—Enter the FMV of the property on the date you donated it. If you were required to reduce the FMV of your deduction or you gave a qualified conservation contribution, you must attach a statement. See page 1 for FMV, reductions to FMV, and the type of statement you may have to attach.

**Column (h).**—Enter the method(s) used to determine the FMV of your donation. FMV of used household goods and clothing is usually much lower than when new. For this reason, standard formulas or methods to value this kind of property are generally not appropriate.

A good measure of value 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 Pub. 561.

## Part II, Other Information

If Part II applies to more than one property, attach a separate statement. Give the required information for each property separately. Identify which property listed in Part I the information relates to.

### Lines 2a–2e

Complete lines 2a–2e only if you contributed less than the entire interest in the donated property during the tax year. Enter on line 2b the amount claimed as a deduction for this tax 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), do not complete line 2c.

### Lines 3a–3c

Complete lines 3a–3c 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 regarding the restriction, and
- Whether the property is designated for a particular use.

An example of a “restricted use” is furniture that you gave only to be used in the reading room of an organization’s library.

## Section B

### Part I, Information on Donated Property

You must have a written appraisal from a qualified appraiser that supports the information in Part I. However, see the **Exception** below.

Use Part I to summarize your appraisal(s). Generally, you do not need to attach the appraisals but you should keep them for your records. But see **Art Valued at \$20,000 or More** below.

**Exception.** You do not need a written appraisal if the property is:

1. Nonpublicly traded stock of \$10,000 or less,
2. Certain securities considered to have market quotations readily available (see Regulations section 1.170A-13(c)(7)(xi)(B)),
3. A donation by a C corporation (other than a closely held corporation or personal service corporation), or
4. Inventory and other property donated by a closely held corporation or a personal service corporation that are “qualified contributions” for the care of the ill, the needy, or infants, within the meaning of section 170(e)(3)(A).

Although a written appraisal is not required for the types of property listed above, you must provide certain information in Part I of Section B (see Regulations section 1.170A-13(c)(4)(iv)) and have the donee organization complete Part IV.

**Art Valued at \$20,000 or More.**—If your total deduction for art is \$20,000 or more, you must attach a complete copy of the signed appraisal. For individual objects valued at \$20,000 or more, a photograph must be provided upon request. The photograph must be of sufficient size (preferably an 8 x 10 inch color photograph or a color transparency no smaller than 4 x 5 inches) and quality to fully show the object.

### Appraisal Requirements

The appraisal must be made not earlier than 60 days before the date you contribute the property. You must receive the appraisal before the due date (including extensions) of the return on which you first claim a deduction for the property. 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 are required for each item of property except for an item that is part of a group of similar items. Only one appraisal is required for a group of similar items contributed in the same tax year, if it includes all the required information for each item.

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

If you gave similar items to more than one donee for which you claimed a total deduction of more than \$5,000, you must attach a separate form for each donee.

**Example.** You claimed a deduction of \$2,000 for books given to College A, \$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 Regulations section 1.170A-13(c)(3)(i)–(ii) for the definition of a “qualified appraisal” and information to be included in the appraisal.

### Line 5

**Note:** *You must complete at least column (a) of line 5 (also column (b) if applicable) before submitting Form 8283 to the donee. You may then complete the remaining columns.*

**Column (a).**—Provide enough detail so a person unfamiliar with the property could identify it in the appraisal.

**Column (c).**—Include the FMV from the appraisal. If you were not required to get an appraisal, include the FMV you determine to be correct.

**Columns (d)–(f).**—If you have reasonable cause for not providing the information in any of these columns, attach an explanation so that your deduction won’t be automatically disallowed.

**Column (g).**—A bargain sale is a transfer of property that is in part a sale or exchange and in part a contribution. Enter the amount received for bargain sales.

**Column (h).**—Complete column (h) only if you were not required to get an appraisal, as explained earlier.

**Column (i).**—Complete column (i) only if you donated securities for which market quotations are considered to be readily

available because the issue satisfies the five requirements described in Regulations section 1.170A-13(c)(7)(xi)(B).

### Part II, Taxpayer (Donor) Statement

Complete Part II only for items included in Part I that have an appraised value of \$500 or less per item. Be sure to clearly identify these items in Part II. This is necessary because the donee may not know the value of the donated property, since you are not required to show it in Part I on the donee’s copy of Form 8283.

If you (the donor) complete Part II, the donee does not have to file Form 8282 for items valued at \$500 or less. See the **Note** on page 4 for more details about filing Form 8282.

The amount of information you give in Part II depends on the description of the donated property you enter in Part I. If you separately show a single item as “Property A” in Part I and that item is appraised at \$500 or less, then the entry “Property A” in Part II is enough. However, if “Property A” consists of several items and the total appraised value is over \$500, list in Part II any item(s) you gave that is valued at \$500 or less.

All shares of nonpublicly traded stock or items in a set are considered one item. For example, a book collection by the same author, components of a stereo system, or six place settings of a pattern of silverware are one item for the \$500 test.

**Example.** You donated books valued at \$6,000. The appraisal states that one of the items, a collection of books by author “X,” is worth \$400. On the Form 8283 that you are required to give the donee, you decide not to show the appraised value of all of the books. But you also don’t want the donee to have to file Form 8282 if the collection of books is sold. If your description of Property A on line 5 includes all the books, then specify in Part II the “collection of books by X included in Property A.” But if your Property A description is “collection of books by X,” the only required entry in Part II is “Property A.”

In the above example, you may have chosen instead to give a completed copy of Form 8283 to the donee. The donee would then be aware of the value. If you include all the books as Property A on line 5, and enter \$6,000 in column (c), you may still want to describe the specific collection in Part II so the donee can sell it without filing Form 8282.

### Part III, Declaration of Appraiser

If you had to get an appraisal, the appraiser **MUST** complete Part III to be considered qualified. See Regulations

section 1.170A-13(c)(5) for a definition of a qualified appraiser.

Persons who cannot be qualified appraisers are listed in the Declaration of Appraiser (Part III) of Form 8283.

Usually, a party to the transaction will not qualify to sign the declaration. But a person who sold, exchanged, or gave the property to you may sign the declaration if the property was donated within 2 months of the date you acquired it and the property's appraised value did not exceed its acquisition price.

An appraiser may not be considered qualified if you had knowledge of facts that would cause a reasonable person to expect the appraiser to falsely overstate the value of the property. An example of this is an agreement between you and the appraiser about the property value when you know that the appraised amount exceeds the actual FMV.

Usually, appraisal fees cannot be based on a percentage of the appraised value unless the fees were paid to certain not-for-profit associations. See Regulations section 1.170A-13(c)(6)(ii).

#### **Part IV, Donee Acknowledgment**

The donee organization that received the property described in Part I of Section B must complete Part IV. Before submitting page 2 of Form 8283 to the donee for acknowledgment, complete at least your name, identifying number, and description of the donated property (line 5, column (a)). If tangible property is donated, also describe its physical condition (line 5, column (b)) at the time of the gift. Complete Part II, if applicable, before submitting the form to the donee. See the instructions for Part II.

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 IV, the organization must return Form 8283 to you, the donor. You must give a copy of Section B of this form to the donee organization. You may then complete any remaining information required in Part I. Also, Part III may be completed at this time by the qualified appraiser.

In rare and unusual circumstances, it may be impossible to get the donee's signature on the Appraisal Summary. The deduction will not be disallowed for that reason if you attach a detailed explanation why it was impossible.

**Note:** *If the donee (or a successor donee) organization disposes of the property within 2 years after the date the original donee received it, the organization must file **Form 8282, Donee Information Return**, with the IRS and send a copy to the donor. An exception applies to items having a value of \$500 or less if the donor identified the items and signed the statement in Part II (Section B) of Form 8283. See the instructions for Part II.*

#### **Failure To File Form 8283, Section B**

If you donated property that is required to be reported in Section B of Form 8283 and you fail to attach the form to your return, the deduction will be disallowed unless your failure was due to a good-faith omission. If the IRS asks you to submit the form, you have 90 days to send a completed Section B of Form 8283 before your deduction is disallowed.

