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Charitable Contributions

Introduction
This publication explains how to claim a deduction for your charitable contributions. It discusses organizations that are qualified to receive deductible charitable contributions, the types of contributions you can deduct, how much you can deduct, what records to 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.

Form 1040 required. To deduct a charitable contribution, you must file Form 1040 and itemize deductions on Schedule A. 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 your suggestions for future editions. You can e-mail us at *taxforms@irs.gov*. Please put "Publications Comment" on the subject line.

You can write to us at the following address:

Internal Revenue Service
Individual Forms and Publications Branch
1111 Constitution Ave. NW
Washington, DC 20224

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.
Organizations That Qualify To Receive Deductible Contributions

You can deduct your contributions only if you make them to a qualified organization. To become a qualified organization, most organizations other than churches and governments, as described below, must apply to the IRS.

Publication 78. You can ask any organization whether it is a qualified organization, and most will be able to tell you. Or you can check IRS Publication 78, which lists most qualified organizations. You may find Publication 78 in your local library’s reference section. Or you can find it on the Internet at www.irs.gov. You can also call the IRS to find out if an organization is qualified. Call 1–877–829–5500. (For TTY/TDD help, call 1–800–829–4059.)

Types of Qualified Organizations

Generally, only the five 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 be organized and operated only for one or more of the following purposes.

   a) Religious.
   b) Charitable.
   c) Educational.
   d) Scientific.
   e) Literary.
   f) 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 war veterans’ posts, auxiliaries, trusts, or foundations organized in the United States or any of its possessions.

3) Domestic fraternal societies, orders, and associations operating under the lodge system.

   Note. Your contribution to this type of organization is deductible only if it is used solely for charitable, religious, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

4) Certain nonprofit cemetery companies or corporations.

   Note. Your contribution to this type of organization is not deductible if it can be used for the care of a specific lot or mausoleum crypt.

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.

   Note. To be deductible, your contribution to this type of organization must be made solely for public purposes.

   Example 1. You contribute cash to your city’s police department to be used as a reward for information about a crime. The city police department is a qualified organization, and your contribution is for a public purpose. You can deduct your contribution.

   Example 2. You make a voluntary contribution to the social security trust fund, not earmarked for a specific account. Because the trust fund is part of the U.S. Government, you contributed to a qualified organization. You can deduct your contribution.

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 Red Cross and the United Way.
   • Most nonprofit educational organizations, including the Boy (and Girl) Scouts of America, colleges, museums, and day-care centers if substantially all the child care provided is to enable individuals to be gainfully employed and the services are available to the general public. However, if your contribution is a substitute for tuition or other enrollment fee, it is not deductible as a charitable contribution, as explained later under Contributions You Cannot Deduct.
   • Nonprofit hospitals and medical research organizations.
Canadian charities. You may be able to de-
duct contributions to certain Canadian charita-
table organizations covered under an income tax
treaty with Canada.

ded contributions to an athletic scholarship program
is held in a legally enforceable trust for university’s
home football games. You can de-

Example 1. If you give property to a qualified organiza-
tion, you generally can deduct the fair market
value of the property at the time of the contribu-
tion. See Contributions of Property, later.

Example 2. When the ticket or other evidence of
benefits you receive. You cannot deduct

Example. If you pay $65 for a ticket to a

Athletic events. If you make a payment to, or
for the benefit of, a college or university and, as
a result, you receive the right to buy tickets to an
athletic event in the athletic stadium of the col-
lege or university, you can deduct 80% of the
amount paid as a charitable contribution.

Example 2. The facts are the same as in

Example 1 except that your $30 payment in-
cluded the purchase of one season ticket for the
stated ticket price of $120. You must subtract the
usual price of a ticket ($120) from your $300
payment. The result is $180. Your deductible
charitable contribution is $144 (80% of $180).

Charity benefit events. If you pay a qualified
organization more than fair market value 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, your contribution is
deduction is “for the use of” a qualified organization
and not set aside for use by a
deduction is “for the benefit of, a college or university and, as

Canadian charities. You may be able to de-
duct contributions to certain Mexican charitable
organizations under an income tax treaty with
Mexico.

The organization must meet tests that are
especially the same as the tests that qualify
U.S. organizations to receive deductible contri-
butions. The organization may be able to tell you
if it meets these tests.

If not, you can get general information
about the tests the organization must
meet by writing to the:

Internal Revenue Service
International Returns Section
P.O. Box 920
Bensalem, PA 19020—8518.

To deduct your contribution to a Mexican
charity, you must have income from sources in
Mexico. The limits described in Limits on Deduc-
tions, later, apply and are figured using your income
from Mexican sources. Those limits also
apply to all your charitable contributions, as de-
scribed in that discussion.

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scribed in that discussion.

Israeli charities. You may be able to deduct
contributions to certain Israeli charitable organi-
zations under an income tax treaty with Israel.

To qualify for the deduction, your contribution
must be made to an organization created and
recognized as a charitable organization under
the laws of Israel. The deduction will be allowed
in the amount that would be allowed if the organ-
ization was created under the laws of the United
States, but is limited to 25% of your adjusted
gross income from Israeli sources.

Contributions You Can Deduct

Generally, you can deduct your contributions of
money or property that you make to, or for the
use of, a qualified organization. A gift or contri-
bution 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.

The contributions must be made to a quali-
fied organization and not set aside for use by a
specific person.

If you pay more than fair market value to a
qualified organization for merchandise, goods,
or services, the amount you pay that is more than
the value of the item can be a charitable contribution.
For the excess amount to qualify, you
must pay it with the intent to make a charita-
table contribution.

Example 1. Your contribution is $180. If you
pay $600 for a week’s stay at a beach house.
The amount you pay is more than the fair rental value.
You have not made a deductible charitable contribution.

Example 2. At a fund-raising auction con-
ducted by a charity, you pay $600 for a dinner.
Fair market value of the dinner event is $40 as a charitable contribution to the church.

Example 1. You pay $65 for a ticket to a
dinner-dance at a church. All the proceeds of the
function go to the church. The ticket to the
dinner-dance has a fair market value of $25.

When you buy your ticket, you know that its
value is less than your payment. To figure the
amount of your charitable contribution, you sub-
tract 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. You pay $300 a year for mem-
bership in an athletic scholarship program main-
tained by a university (a qualified organization).
The only benefit of membership is that you have
the right to buy one season ticket for a seat in a
designated area of the stadium at the
university’s home football games. You can de-
duct $240 (80% of $300) as a charitable contri-

Contributions You Can Deduct

Generally, you can deduct your contributions of
money or property that you make to, or for the
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the qualified organization or in a similar legal
arrangement.

The contributions must be made to a quali-
fied organization and not set aside for use by a
specific person.
more than a specified amount, which may be adjusted annually for inflation. (This is the amount for low-cost articles given in the annual revenue procedure with inflation adjusted amounts for the current year.

You can get this figure from the IRS.)

Token items. You can deduct your entire pay- ment to a qualified organization as a charitable contribution if both of the following are true:

1) You get a small item or other benefit of token value.
2) The qualified organization correctly deter- mines that the value of the item or benefit you received is not 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 revenue procedure with the inflation ad- justed amounts for the current year.

Written statement. A qualified organization must give you a written statement if you make a payment to it that is more than $75 and is partly a contribution and partly for goods or services. The statement must tell you that 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 will not have to give you this statement if one of the following is true:

1) The organization is:
   a) The type of organization described in (5) under Types of Qualified Organiza- tions, earlier, or
   b) Formed only for religious purposes, and the only benefit you receive is an intan- gible religious benefit (such as admission to a religious ceremony) that generally is not sold in commercial transactions outside the donor-con- text.
2) You receive only items whose value is not substantial as described under Token items, earlier.
3) You receive only membership benefits that can be disregarded, as described 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 agree- ment between you and a qualified organi- zation (defined later) as part of a program of the organization to provide educational opportunities for the student,
2) Is not your dependent or relative, and
3) Is a full-time student in the twelfth 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 condi- tions (1) through (3) above 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 organi- zations described earlier under Organizations That Qualify To Receive Deductible Contribu- tions, except those in (4) and (5). For example, if you are providing a home for a student through a state or local government agency, you cannot deduct your expenses as charitable contribu- tions.

Qualifying expenses. Expenses that you may be able to deduct include 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 do not qualify. Depreciation on your home, the fair market value of lodging, and similar items are not considered amounts spent by you. In addition, general household expenses, such as taxes, insurance, repairs, etc., do not qualify for the deduction.

Reimbursed expenses. If you are compen- sated or reimbursed for any part of the costs of having a student living with you, you cannot deduct any of your costs. However, if you are reimbursed for only an extraordinary or a one-time item, such as a hospital bill or vacation trip, that you paid in advance at the request of the student’s parents or the sponsoring organi- zation, you can deduct your expenses for the student for which you were not reimbursed.

Mutual exchange program. You cannot 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 ex- penses for student living with you under How To Report, later.

Out-Of-Pocket Expenses in Giving Services

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 under- privileged youths to attend athletic events, mov- ies, or dinners. The youths must be selected by a charitable organization whose goal is to re- duce juvenile delinquency. Your own similar ex- penses in accompanying the youths are not deductible.

Conventions. If you are a chosen representa- tive attending a convention of a qualified organi- zation, you can deduct unreimbursed expenses for travel and transportation, including a reason- able amount for meals and lodging, while away from home overnight in connection with the con- vention. However, see Travel, later.

You cannot deduct personal expenses for sightseeing, fishing parties, theater tickets, or nightclubs. You also cannot deduct travel, meals and lodging, and other expenses for your spouse or children.

You cannot deduct your expenses in attend- ing a church convention if you go only as a member of your church rather than as a chosen representative. You can deduct unreimbursed expenses that are directly connected with giving services for your church during the convention.

Uniforms. You can deduct the cost and up- keep of uniforms that are not suitable for every- day use and that you must wear while performing donated services for a charitable or- ganization.

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 are not, in fact, making a profit. A qualified organization must designate 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 ex- penses to feed, cloth, and care for the foster child.
2) They must be mainly to benefit the quali- fied organization.

Unreimbursed expenses that you cannot de- duct as charitable contributions may be consid- ered support provided by you in determining whether you can claim the foster child as a dependent. For details, see Publication 501, Ex- emptions, Standard Deduction, and Filing Infor- mation.

Example. You cared for a foster child be- cause you wanted to adopt her, not to benefit the agency that placed her in your home. Your un- reimbursed expenses are not deductible as charitable contributions.

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

Car expenses. You can deduct unreimbursed out-of-pocket expenses, such as the cost of gas and oil, that are directly related to the use of your car in giving services to a charitable organiza-
You cannot deduct general repair and maintenance expenses, depreciation, registration fees, or the costs of tires or insurance. If you do not 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 Records To Keep, later.

Travel. Generally, you can claim a charitable contribution deduction for travel expenses necessary incurred while you are away from home performing services for a charitable 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 charitable organization and the organization pays for your travel expenses.

The deduction for travel expenses will not be denied simply because you enjoy providing services to the charitable 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 do not have any duties, you cannot deduct your travel expenses.

Example 1. You are a troop leader for a tax-exempt youth group and you help take the group on a camping trip. You are responsible for overseeing the set up of the camp and for providing adult supervision for other activities during the entire trip. You participate in the activities of the group and really enjoy your time with them. You oversee the breaking of camp and you help 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 charitable organization. In most circumstances, you cannot deduct your expenses.

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

Example 4. You spend the entire day attending a charitable 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 cannot claim the cost of your evening at the theater.

Daily allowance (per diem). If you provide services for a charitable 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 the amount of the allowance that is more than your deductible travel expenses. You can deduct your 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 are not business-related, they are not subject to the same limits as business-related expenses. For information on business travel expenses, see Travel Expenses in Publication 463, Travel, Entertainment, Gift, and Car Expenses.

Contributions You Cannot Deduct

There are some contributions you cannot deduct. There are others you can deduct only part of.

You cannot 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 perform services for a charitable organization and receive a benefit.
4) The value of your time or services.
5) Your personal expenses.
6) Appraisal fees, or
7) Certain contributions of partial interests in property.

Detailed discussions of these items follow.

Contributions to Individuals

You cannot deduct contributions to specific individuals, including:
- Contributions to fraternal societies made for the purpose of paying medical or burial expenses of deceased members.
- Contributions to individuals who are needy or worthy. This includes contributions to a qualified organization if you indicate that your contribution is for a specific person. But you can deduct a contribution that you give to a qualified organization that in turn helps needy or worthy individuals if you do not indicate that your contribution is for a specific person.

Example. You can deduct contributions earmarked for flood relief, hurricane relief, or other disaster relief to a qualified organization. However, you cannot deduct contributions earmarked for relief of a particular individual or family.
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 cannot 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:

- Contributions for lobbying. This includes amounts that you earmark for use in, or in connection with, influencing specific legislation.
- Contributions to a retirement home that are clearly 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 is not a charitable contribution.
- Costs of raffles, bingo, lottery, etc. You cannot 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 Deductions Not Subject to the 2% Limit in Publication 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, even if you pay them for children to attend parochial schools or qualifying non-profit day-care centers. You also cannot deduct any fixed amount you may be required to pay in addition to the tuition fee to enroll in a private school, even if it is designated as a “donation.”
- Contributions connected with split-dollarsurance arrangements. You cannot deduct any part of a contribution to a charitable 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 charitable 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 cannot deduct any part of the donation.

The value of income lost while you work as an unpaid volunteer for a qualified organization.

Personal Expenses

You cannot 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 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 Publication 968, Tax Benefits for Adoption, for more information. You also may be able to claim an exemption for the child. See Adoption in Publication 501 for more information.

Appraisal Fees

Fees that you pay to find the fair market value of donated property are not deductible as contributions. You can claim them, subject to the 2%-of-adjusted-gross-income limit, as a miscellaneous itemized deduction on Schedule A (Form 1040). See Deductions Subject to the 2% Limit in Publication 529 for more information.

Partial Interest in Property

Generally, you cannot 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 fair market value 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 Records To Keep and How To Report, later.

Contributions Subject to Special Rules

Special rules apply if you contributed:

- Property subject to a debt,
- A partial interest in property,
1) 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.

2) 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.

Example. You contribute voting stock to a qualified organization but keep the right to vote the stock. The right to vote a substantial right in the stock. You have not contributed an undivided part of your entire interest and cannot deduct your contribution.

3) A partial interest that would be deductible if transferred in trust.

4) A qualified conservation contribution (defined under Qualified conservation contribution in Publication 561).

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 Publication 561.

Future interest in tangible personal property. You can deduct the value of a charitable contribution of a future interest in tangible personal property only after 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.

Related persons include your spouse, children, grandchildren, brothers, sisters, and parents. Related organizations may include a partnership or corporation that you have an interest in, or an estate or trust that you have a connection with.

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. Since you keep an interest in the property, you cannot 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 that you sell in the course of your business), the amount you can claim as a contribution deduction is the smaller of its fair market value on the day you contributed it or its basis. The basis of donated 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 contribution deduction from your opening inventory. It is not part of the cost of goods sold.

If the cost of donated inventory is not included in your opening inventory, the inventory's basis is zero and you cannot 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.

Determining Fair Market Value

This section discusses general guidelines for determining the fair market value of various types of donated property. Publication 561 contains a more complete discussion.

Fair market value 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 fair market value 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.

Household goods. The fair market value of used household goods, 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) are not acceptable in determining value. You should support your valuation with photographs, canceled checks, receipts from your purchase of the items, or other evidence. Magazines or newspaper articles and photographs that describe the items and statements by the recipient of the items are also useful. Do not 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 Publication 561.

Cars, boats, and aircraft. If you contribute a car, boat, or aircraft to a charitable organization, you must determine its fair market value.

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 adjustments 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 from the loan officer at a
For more information about what is a capital asset, see chapter 2 of Publication 544.

Amount of deduction – general rule. When figuring your deduction for a gift of capital gain property, you usually can use the fair market value of the gift.

Exceptions. However, in certain situations, you must reduce the fair market value by any amount that would have been long-term capital gain if you had sold the property for its fair market value. Generally, this means reducing the fair market value 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) The contributed property is tangible personal property that is put to an unrelated use by the charity, or

3) You choose the 50% limit instead of the 30% limit, discussed 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 does not 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 does not 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.

Contributions of tangible personal property. The term tangible personal property means any property, other than land or buildings, that can be seen or touched. It includes furniture, books, jewelry, paintings, and cars.

The term unrelated use means a use that is unrelated to the exempt purpose or function of the charitable 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 its library for display and study by art students, the use is not an unrelated use. But if the painting is sold and the proceeds are used by the organization for educational purposes, the use is an unrelated use.

Ordinary or capital gain income included in gross income. You do not reduce your charitable contribution 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 charitable organization. If you contribute an obligation received in a sale of property that is reported under the installment method, see Publication 537, Installment Sales.

Example. You donate an installment note to a qualified organization. The note has a fair market value of $1,000. The person who sells them to you says that would be ordinary income or short-term capital gain if you sold the stock, your charitable contribution, capital assets also include certain real property.

Ordinary Income Property

Property is ordinary income property if its sale at fair market value 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, 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 fair market value at the time of contribution. See chapter 30 of Publication 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 fair market value less the amount that would be ordinary income or short-term capital gain if you sold the property for its fair market value. Generally, this rule limits the deduction to your basis in the property.

Example. You donate stock that you held for 5 months to your church. The fair market value of the stock on the day you donated 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 (fair market value less the appreciation).

Exception. Do not 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 its sale at fair market value on the date of the contribution would have resulted in long-term capital gain. Capital gain property includes capital assets held more than 1 year.

Capital assets. Capital assets include most items of property that 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 have to treat this property as partly ordinary income property and partly capital gain property.)

Real property. Real property is land and generally anything that is 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.

Large quantities. If you contribute a large number of the same item, fair market value is the price at which comparable numbers of the item are being sold.

Example. You purchase 500 bibles for $1,000. The person who sells them to you says the retail value of these bibles is $3,000. If you contribute the bibles to a qualified organization, you can claim a deduction only for the price at which similar numbers of the same bible are currently being sold. Your charitable contribution is $1,000, unless you can show that similar numbers of that bible were selling at a different price at the time of the contribution.

Giving Property That Has Decreased in Value

If you contribute property with a fair market value that is less than your basis in it, your deduction is limited to its fair market value. You cannot claim a deduction for the difference between the property’s basis and its fair market value.

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

• 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 decreases in value include clothing, furniture, appliances, and cars.

Giving Property That Has Increased in Value

If you contribute property with a fair market value that is more than your basis in it, you may have to reduce the fair market value 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, get Publication 551.

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

1) Ordinary income property, or
2) Capital gain property.
Promissory note.

cause of the overstatement, if: you can take a deduction. 50% limit organizations.

amount by which you underpaid your tax be- chance that the act or event will not take place, Only the following types of organizations are

20% penalty. The penalty is 20%, rather than

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The type and rule above prints on all proofs including departmental reproduction proofs. MUST be removed before printing.

30% Limit

A 30% limit applies to the following gifts:

- Gifts to all qualified organizations other than 50% limit organizations. This includes gifts to veterans’ organizations, fraternal societies, nonprofit cemeteries, and certain private nonoperating foundations.
- Gifts for the use of any organization. However, if these gifts are of capital gain property, they are subject to the 20% limit, described later, rather than the 30% limit.

Youth living with you. Amounts you spend on behalf of a student living with you are subject to the 30% limit. These amounts are considered a contribution for the use of a qualified organization.

Special 30% Limit for Capital Gain Property

A special 30% limit applies to gifts of capital gain property to 50% limit organizations. (For gifts of capital gain property to other organizations, see 30% Limit, next.) However, the special 30% limit does not apply when you choose to reduce the fair market value of the property by the amount that would have been long-term capital gain if you had sold the property. Instead, only the 50% limit applies. See Capital Gain Property, earlier, and Capital gain property election under How To Figure Your Deduction When Limits Apply, later.

Two separate 30% limits. This special 30% limit for capital gain property is separate from the other 30% limit. Therefore, the deduction of a contribution subject to one 30% limit does not reduce the amount you can deduct for contributions subject to the other 30% limit. However, the total you deduct cannot be more than 50% of your adjusted gross income.

Example. Your adjusted gross income is $50,000. During the year, you gave capital gain property with a fair market value of $15,000 to a 50% limit organization. You do not choose to reduce the property’s fair market value by its appreciation in value. You also gave $10,000 cash to a qualified organization that is not a 50% limit organization. The $15,000 gift of property is subject to the special 30% limit. The $10,000 cash gift is subject to the other 30% limit. Both gifts are fully deductible because neither is more than the 30% limit that applies ($15,000 in each case) and together they are not more than the 50% limit ($25,000).

20% Limit

The 20% limit applies to all gifts of capital gain property to or for the use of qualified organizations (other than gifts of capital gain property to 50% limit organizations).
Table 3. Filled-In Worksheet for Limit on Deductions

Who can use this worksheet. You can use this worksheet 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 cannot use this worksheet if you have a carryover of a charitable contribution from an earlier year.

General instructions:
- The terms used in this worksheet are explained earlier in this publication.
- If your answer to any line is less than zero, enter zero.
- For contributions of property, enter the property's fair market value unless you elected (or were required) to reduce the fair market value as explained under Giving Property That Has Increased in Value. In that case, enter the reduced amount.

Step 1. List your charitable contributions made during the year.

1. Enter your contributions to 50% limit organizations. (Include contributions of capital gain property if you reduced the property's fair market value. Do not include contributions of capital gain property deducted at fair market value.)

2. Enter your contributions to 50% limit organizations of capital gain property deducted at fair market value.

3. Enter your contributions (other than of capital gain property) to qualified organizations that are not 50% limit organizations.

4. Enter your contributions “for the use of” any qualified organization. (But do not enter here any amount that must be entered on line 6.)

5. Add lines 3 and 4.

6. Enter your contributions of capital gain property to or for the use of any qualified organization. (But do not enter here any amount entered on line 1 or 2.)

<table>
<thead>
<tr>
<th></th>
<th>Deduct this year</th>
<th>Carryover to next year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>2</td>
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</tr>
<tr>
<td>3</td>
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<tr>
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</tr>
<tr>
<td>6</td>
<td>-0-</td>
<td></td>
</tr>
</tbody>
</table>

Step 2. Figure your deduction for the year and your carryover to the next year.

7. Enter your adjusted gross income.

8. Multiply line 7 by 0.5. This is your 50% limit.

9. Enter the smaller of line 1 or line 8.

10. Subtract line 9 from line 1.

11. Subtract line 9 from line 8.

<table>
<thead>
<tr>
<th></th>
<th>Contributions to 50% limit organizations</th>
<th></th>
<th>Contributions not to 50% limit organizations</th>
<th></th>
<th>Contributions of capital gain property to 50% limit organizations</th>
<th></th>
<th>Contributions of capital gain property not to 50% limit organizations</th>
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</tbody>
</table>

Step 3. Summarize your deductions and carryovers.

25. Add lines 9, 15, 18, and 23. Enter the total here and on Schedule A (Form 1040).

26. Add lines 10, 16, 19, and 24. Enter the total here. Carry it forward to Schedule A next year.

<p>| | |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>17,000</td>
</tr>
<tr>
<td>26</td>
<td>18,000</td>
</tr>
</tbody>
</table>
For this year, your deduction is limited to $17,000 ($2,000 + $15,000).

A Filled-In Worksheet for Limit on Deductions in Table 3 on page 11 shows this computation in detail.

Capital gain property election. You may choose the 50% limit for gifts of capital gain property to 50% limit organizations instead of the 30% limit that would otherwise apply. If you make this choice, you must reduce the fair market value of the property contributed by the appreciation in value that would have been long-term capital gain if the property had been sold.

This choice applies to all capital gain property contributed to 50% limit organizations during a tax year. It also applies to carryovers of this kind of contribution from an earlier tax year. For details, see Carryover 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 church, you must reduce the fair market value 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 church. You can now deduct $1,000 of the amount donated to the private foundation because your contributions to 50% limit organizations ($2,000 + $22,000) are $1,000 less than the 50% of-adjusted-gross-income limit. Your total deduction for the year is $25,000 ($2,000 cash to your church, $22,000 for property donated to your church, and $1,000 cash to the private foundation). You can carry over to later years the part of your contribution to the private foundation that you could not deduct ($4,000).

Carryovers
You can carry over your contributions that you are not able to deduct in the current year because they exceed your adjusted-gross-income limits. You can deduct the excess in each of the next 5 years until it is used up, but not beyond that time. Your total contributions deduction for the year to which you carry your contributions cannot exceed 50% of your adjusted gross income for that year.

Contributions you carry over are subject to the same percentage limits in the year to which they are carried. 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.

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 on this page.

Example 1. Last year, you contributed $11,000 to a 50% limit organization, but because of the limit you deducted only $10,000 and carried over $1,000 to this year. This year, your adjusted gross income is $20,000 and you contribute $9,500 to a 50% limit organization. You can deduct $10,000 (50% of $20,000) this year. Consequently, in addition to your contribution of $9,500 for this year, you can deduct $500 of your carryover contribution from last year. You can carry over the $500 balance of your carryover from last year to next year.

Example 2. This year, your adjusted gross income is $24,000. You make cash contributions of $12,000 to which the 50% 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 contribution deduction for this year is limited to $12,000 (50% of $24,000). Your 50% limit cash contributions of $6,000 are fully deductible. 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 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) $6,000 ($12,000, your 50% limit, minus $6,000, the amount of your cash contributions to 50% limit organizations this year).

Since your $5,000 carryover is less than both $7,200 and $6,000, 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 refugre your carryover. You reduce the fair market value of the property by the appreciation and reduce that result by the amount actually deducted in the previous year.

Example. Last year, your adjusted gross income was $25,000 and you contributed capital gain property valued at $27,000 to a 50% limit organization and did not 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 adjusted gross income 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 refugre 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 refugred carryover is $5,000 ($20,000 – $15,000). Your total deduction this year is $29,000 ($24,000 current contribution plus your $5,000 carryover).

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

• Were married in some years but not others,
• Had 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,
• Had a net operating loss,
• Claim the standard deduction in a carry-over year, or
• Become a widow or widower.

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

Records To Keep
You must keep records to prove the amount of the cash and noncash 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 or noncash contributions.

Note. An organization generally must 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 those paid by cash, check, credit card, or payroll deduction. They also include your out-of-pocket expenses when donating your services.

For a contribution made in cash, the records you must keep depend on whether the contribution is:

1) Less than $250, or
2) $250 or more.

Amount of contribution. In figuring whether your contribution is $250 or more, do not combine separate contributions. For example, if you gave your church $25 each week, your weekly...
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.

Contributions of Less Than $250

For each cash contribution that is less than $250, you must keep one of the following.

1) A canceled check, or a legible and readable account statement that shows:
   a) If payment was by check — the check number, amount, date posted, and to whom paid,
   b) If payment was by electronic funds transfer — the amount, date posted, and to whom paid, or
   c) If payment was charged to a credit card — the amount, transaction date, and to whom paid.

2) A receipt (or a letter or other written communication) from the charitable organization showing the name of the organization, the date of the contribution, and the amount of the contribution.

3) Other reliable written records that include the information described in (2). Records may be considered reliable if they were made at or near the time of the contribution, were regularly kept by you, or if, in the case of small donations, you have but- tons, emblems, or other tokens, that are regularly given to persons making small cash contributions.

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.

Your records must show the name of the organization you were serving and the date each time you used your car for a charitable purpose. If you use the standard mileage rate, 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.

Contributions of $250 or More

You can claim a deduction for a contribution of $250 or more only if you have an acknowledge-ment of your contribution from the qualified or- ganization or certain payroll deduction records.

If you made more than one contribution of $250 or more, you must have either a separate acknowledgement for each or one acknowl- edgement that shows your total contributions.

Acknowledgement. The acknowledgement 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 to-
      ken items and membership benefits), and
   c) A description and good faith estimate of the value of any goods or services de-
      scribed in (b). If the only benefit you received was an intangible religious benefit (such as admission to a relig-
      ious ceremony) that generally is not sold in a commercial transaction outside the donative context, the ac-
      knowledge must say so and does not need to describe or estimate the value of the benefit.
3) 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 contribu-

tion by payroll deduction, you do not need an acknowledgement from the qualified organiza-

tion. But if your employer deducted $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 proves the amount withheld, and
2) A pledge card or other document from the qualified organization that states the or-

ganization does not provide goods or serv-

ices in return for any contribution made to it by payroll deduction.

Out-of-pocket expenses. If you render serv-

ices to a qualified organization and have un-

reimbursed out-of-pocket expenses related to those services, you can satisfy the written ac-

knowledge requirement just discussed if:

1) You have adequate records to prove the amount of the expenses, and
2) By the required date, you get an acknowl-

edge ment from the qualified organization that contains:
   a) A description of the services you pro-
      vided,
   b) A statement of whether or not the or-
      ganization provided you any goods or services to reimburse you for the ex-
      penses you incurred,
   c) 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
   d) A statement of any intangible religious benefits provided to you.

Noncash Contributions

For a contribution not made in cash, the records you must keep depend on whether your deduc-

tion 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.

Amount of contribution. In figuring whether your contribution is $250 or more, do not com-

bine separate contributions. If you got goods or services in return, as described earlier in Contrib-

utions From Which You Benefit, reduce your contribution by the value of those goods or serv-

ices. If you figure your deduction by reducing the fair market value of the donated property by its apprecia-

tion, as described earlier in Giving Property That Has Increased in Value, your con-

tribution is the reduced amount.

Deductions of Less Than $250

If you make any noncash contribution, you must get and keep a receipt from the charitable organi-

zation showing:

1) The name of the charitable organization,
2) The date and location of the charitable contribution, and
3) A reasonably detailed description of the property.

A letter or other written communication from the charitable organization acknowledging receipt of the contribution and containing the informa-

tion in (1), (2), and (3) will serve as a receipt.

You are not required to have a receipt where it is impractical to get one (for example, if you leave property at a charity’s unattended drop site).

Additional records. You must also keep reli-

able written records for each item of donated property. Your written records must include the following information:

1) The name and address of the organization to which you contributed.
2) The date and location of the contribution.
3) A description of the property in detail rea-

sonable under the circumstances. For a security, keep the name of the issuer, the type of security, and whether it is regularly traded on a stock exchange or in an over-the-counter market.
4) The fair market value of the property at the time of the contribution and how you fig-

ured the fair market value. If it was deter-

mined by appraisal, you should also keep a signed copy of the appraisal.
5) The cost or other basis of the property if you must reduce its fair market value by
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 an acknowledgement of your contribution from the qualified organization. If you made more than one contribution of $250 or more, you must have either a separate acknowledgement for each or one acknowledgement that shows your total contributions.

The acknowledgement must contain the information in items (1) through (3) listed under Deductions of Less Than $250, as well as the information listed in that discussion under Additional records. The acknowledgement must also meet these tests.

1) It must be written.
2) It must 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 is not sold in a commercial transaction outside the donor context, the acknowledgement must say so and does not need to describe or estimate the value of the benefit.

3) 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.

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 have the acknowledgement and written records described under Deductions of Less Than $250 But Not More Than $500. Your records must also include:

1) How you got the property, for example, by purchase, gift, bequest, inheritance, or exchange.
2) 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.
3) 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, does not apply to publicly traded securities.

If you are not able to provide information on either the date you got the property or the cost basis of the property and you have a reasonable cause for not being able to provide this information, attach a statement of explanation to your return.

Deductions Over $5,000
If you claim a deduction of over $5,000 for a charitable contribution of one property item or a group of similar property items, you must have the acknowledgement and the written records described under Deductions Over $500 But Not Over $5,000. In figuring whether your deduction is over $5,000, combine your claimed deductions for all similar items donated to any charitable organization during the year.

Generally, you must also obtain a qualified written appraisal of the donated property from a qualified appraiser. See Deductions of More Than $5,000 in Publication 561 for more information.

Qualified conservation contribution. If the gift was a "qualified conservation contribution," your records must also include the fair market value of the underlying property before and after the gift and the conservation purpose furthered by the gift. See Qualified conservation contribution in Publication 561 for more information.

How To Report
Report your charitable contributions on Schedule A of Form 1040. If you made noncash contributions, you may also be required to fill out parts of Form 8283. See Noncash contributions, later.

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 his or her full-time attendance at school, and
   c) The name and location of the school.

Noncash contributions. If your total deduction for all noncash contributions for the year is over $500, you must complete Schedule A of Form 8283, and attach it to Form 1040. However, do not complete Schedule A for items that you must report on Section B. See Deduction over $5,000 for one item, next, for the items you must report on Section B.

The Internal Revenue Service can disallow your deduction for noncash charitable contributions if it is more than $500 and you do not submit a required Form 8283 with your return.

Deduction over $5,000 for one item. You must complete Schedule B of Form 8283 for each item or group of items for which you claim a deduction of over $5,000. (However, if you contribute certain publicly traded securities, complete Section A instead.) In figuring whether your deduction is over $5,000, combine the claimed deductions for all similar items donated to any charitable organization during the year. The organization that received the property must complete and sign Part IV of Section B.

Form 8282. If an organization, within 2 years after the date of receipt of a contribution of property for which it was required to sign a Form 8283, sells, exchanges, or otherwise disposes of the property, the organization must file an information return with the Internal Revenue Service on Form 8282, Donee Information Return, and send you a copy of the form. However, if you have informed the organization that the appraised value of the donated item, or a specific item within a group of similar items, is $500 or less, the organization is not required to make a report on its sale of that item. For this purpose, all shares of nonpublicly traded stock or securities, or items that form a set, are considered to be one item.
How To Get Tax Help

You can get help with unresolved tax issues, order free publications and forms, ask tax questions, and get more information from the IRS in several ways. By selecting the method that is best for you, you will have quick and easy access to tax help.

Contacting your Taxpayer Advocate. If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate.

The Taxpayer Advocate independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels. While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

To contact your Taxpayer Advocate:
- Call the Taxpayer Advocate toll free at 1–877–777–4776.
- Call, write, or fax the Taxpayer Advocate office in your area.
- Call 1–800–829–4059 if you are a TTY/TDD user.
- Visit the web site at www.irs.gov/advocate.

For more information, see Publication 1546, The Taxpayer Advocate Service of the IRS.

Free tax services. To find out what services are available, get Publication 910, Guide to Free Tax Services. It contains a list of free tax publications and an index of tax topics. It also describes other free tax information services, including tax education and assistance programs and a list of TeleTax topics.

Internet. You can access the IRS web site 24 hours a day, 7 days a week at www.irs.gov by:
- Check the amount of advance child tax credit payments.
- Check the status of your refund. Click on “Where’s My Refund” and then on “Go Get My Refund Status.” Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically) and have your tax return available because you will need to know your filing status and the exact whole dollar amount of your refund.
- Download forms, instructions, and publications.
- Order IRS products on-line.
- See answers to frequently asked tax questions.
- Search publications on-line by topic or keyword.

Figure your withholding allowances using our Form W-4 calculator.

Send us comments or request help by e-mail.

Sign up to receive local and national tax news by e-mail.

Get information on starting and operating a small business.

You can also reach us using File Transfer Protocol at ftp.irs.gov.

Fax. You can get over 100 of the most requested forms and instructions 24 hours a day, 7 days a week, by fax. Just call 703–368–9694 from your fax machine. Follow the directions from the prompts. When you order forms, enter the catalog number for the form you need. The items you request will be faxed to you.

For help with transmission problems, call 703–487–4608.

Long-distance charges may apply.

Phone. Many services are available by phone.

- Ordering forms, instructions, and publications. Call 1–800–829–3676 to order current-year forms, instructions, and publications and prior-year forms and instructions. You should receive your order within 10 days.
- Asking tax questions. Call the IRS with your tax questions at 1–800–829–1040.
- Solving problems. You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to www.irs.gov or look in the phone book under “United States Government, Internal Revenue Service.”
- TTY/TDD equipment. If you have access to TTY/TDD equipment, call 1–800–829–4059 to ask tax or account questions or to order forms and publications.
- TeleTax topics. Call 1–800–829–4477 to listen to pre-recorded messages covering various tax topics.
- Refund information. If you would like to check the status of your refund, call 1–800–829–4477 for automated refund information and follow the recorded instructions or call 1–800–829–1954. Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically) and have your tax return available because you will need to know your filing status and the exact whole dollar amount of your refund.

Evaluating the quality of our telephone services. To ensure that IRS representatives give accurate, courteous, and professional answers, we use several methods to evaluate the quality of our telephone services. One method is for a second IRS representative to sometimes listen in on or record telephone calls. Another is to ask some callers to complete a short survey at the end of the call.

Walk-in. Many products and services are available on a walk-in basis.

- Products. You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Some IRS offices, libraries, grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of products available to print from a CD-ROM or photocopied from reproducible proofs. Also, some IRS offices and libraries have the Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.
- Services. You can walk in to your local Taxpayer Assistance Center every business day to ask tax questions or get help with a tax problem. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. You can set up an appointment by calling your local center and, at the prompt, leaving a message requesting Everyday Tax Solutions help. A representative will call you back within 2 business days to schedule an in-person appointment at your convenience. To find the number, go to www.irs.gov or look in the phone book under “United States Government, Internal Revenue Service.”

Mail. You can send your order for forms, instructions, and publications to the Distribution Center nearest to you and receive a response within 10 working days after your request is received. Use the address that applies to your part of the country.

- Western part of U.S.: Western Area Distribution Center Rancho Cordova, CA 95743–0001
- Central part of U.S.: Central Area Distribution Center P.O. Box 8903 Bloomington, IL 61702–8903
- Eastern part of U.S. and foreign addresses: Eastern Area Distribution Center P.O. Box 85074 Richmond, VA 23261–5074

CD-ROM for tax products. You can order IRS Publication 1796, Federal Tax Products on CD-ROM, and obtain:
- Current-year forms, instructions, and publications.
- Prior-year forms and instructions.
- Frequently requested tax forms that may be filled in electronically, printed out for submission, and saved for recordkeeping.
- Internal Revenue Bulletins.
Buy the CD-ROM from National Technical Information Service (NTIS) on the Internet at www.irs.gov/cdorders for $22 (no handling fee) or call 1–877–233–6767 toll free to buy the CD-ROM for $22 (plus a $5 handling fee). The first release is available in early January and the final release is available in late February.

**CD-ROM for small businesses.** IRS Publication 3207, *Small Business Resource Guide,* is a must for every small business owner or any taxpayer about to start a business. This handy, interactive CD contains all the business tax forms, instructions and publications needed to successfully manage a business. In addition, the CD provides an abundance of other helpful information, such as how to prepare a business plan, finding financing for your business, and much more. The design of the CD makes finding information easy and quick and incorporates file formats and browsers that can be run on virtually any desktop or laptop computer.

It is generally available in April. You can get a free copy by calling 1–800–829–3676 or by visiting the web site at www.irs.gov/smallbiz.
### Table 4. Worksheet for Limit on Deductions

**Who can use this worksheet.** You can use this worksheet 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 cannot use this worksheet if you have a carryover of a charitable contribution from an earlier year.

**General instructions:**
- The terms used in this worksheet are explained earlier in this publication.
- If your answer to any line is less than zero, enter zero.
- For contributions of property, enter the property’s fair market value unless you elected (or were required) to reduce the fair market value as explained under Giving Property That Has Increased in Value. In that case, enter the reduced amount.

#### Step 1. List your charitable contributions made during the year.

1. Enter your contributions to 50% limit organizations. (Include contributions of capital gain property if you reduced the property’s fair market value. Do not include contributions of capital gain property deducted at fair market value.)  
2. Enter your contributions to 50% limit organizations of capital gain property deducted at fair market value.
3. Enter your contributions (other than of capital gain property) to qualified organizations that are not 50% limit organizations.
4. Enter your contributions “for the use of” any qualified organization. (But do not enter here any amount that must be entered on line 6.)
5. Add lines 3 and 4.
6. Enter your contributions of capital gain property to or for the use of any qualified organization. (But do not enter here any amount entered on line 1 or 2.)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Contributions to 50% limit organizations</td>
</tr>
<tr>
<td>2</td>
<td>Contributions to 50% limit organizations of capital gain property deducted at fair market value</td>
</tr>
<tr>
<td>3</td>
<td>Contributions (other than of capital gain property) to qualified organizations that are not 50% limit organizations</td>
</tr>
<tr>
<td>4</td>
<td>Contributions “for the use of” any qualified organization</td>
</tr>
<tr>
<td>5</td>
<td>Add lines 3 and 4</td>
</tr>
<tr>
<td>6</td>
<td>Contributions of capital gain property to or for the use of any qualified organization</td>
</tr>
</tbody>
</table>

#### Step 2. Figure your deduction for the year and your carryover to the next year.

7. Enter your adjusted gross income.
8. Multiply line 7 by 0.5. This is your 50% limit.
9. Enter the smaller of line 1 or line 8.
10. Subtract line 9 from line 1.
11. Subtract line 9 from line 8.
12. Add lines 1 and 2.
13. Multiply line 7 by 0.3. This is your 30% limit.
15. Enter the smallest of line 5, 13, or 14.
16. Subtract line 15 from line 5.
17. Subtract line 15 from line 13.
18. Enter the smallest of line 6, 17, 20, 21, or 22.
22. Multiply line 7 by 0.2. This is your 20% limit.
23. Enter the smallest of line 16, 17, 20, 21, or 22.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Enter your adjusted gross income</td>
</tr>
<tr>
<td>8</td>
<td>Multiply line 7 by 0.5</td>
</tr>
<tr>
<td>9</td>
<td>Enter the smaller of line 1 or line 8</td>
</tr>
<tr>
<td>10</td>
<td>Subtract line 9 from line 1</td>
</tr>
<tr>
<td>11</td>
<td>Subtract line 9 from line 8</td>
</tr>
<tr>
<td>12</td>
<td>Add lines 1 and 2</td>
</tr>
<tr>
<td>13</td>
<td>Multiply line 7 by 0.3</td>
</tr>
<tr>
<td>14</td>
<td>Subtract line 12 from line 8</td>
</tr>
<tr>
<td>15</td>
<td>Enter the smallest of line 5, 13, or 14</td>
</tr>
<tr>
<td>16</td>
<td>Subtract line 15 from line 5</td>
</tr>
<tr>
<td>17</td>
<td>Subtract line 15 from line 13</td>
</tr>
<tr>
<td>18</td>
<td>Enter the smallest of line 6, 17, 20, 21, or 22</td>
</tr>
<tr>
<td>19</td>
<td>Subtract line 23 from line 6</td>
</tr>
<tr>
<td>20</td>
<td>Subtract line 18 from line 14</td>
</tr>
<tr>
<td>21</td>
<td>Subtract line 18 from line 13</td>
</tr>
<tr>
<td>22</td>
<td>Multiply line 7 by 0.2</td>
</tr>
<tr>
<td>23</td>
<td>Enter the smallest of line 16, 17, 20, 21, or 22</td>
</tr>
<tr>
<td>24</td>
<td>Subtract line 23 from line 6</td>
</tr>
</tbody>
</table>

#### Step 3. Summarize your deductions and carryovers.

25. Add lines 9, 15, 18, and 23. Enter the total here and on Schedule A (Form 1040).
26. Add lines 10, 16, 19, and 24. Enter the total here. Carry it forward to Schedule A next year.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Add lines 9, 15, 18, and 23</td>
</tr>
<tr>
<td>26</td>
<td>Add lines 10, 16, 19, and 24</td>
</tr>
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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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## Tax Publications for Individual Taxpayers

See How To Get Tax Help for a variety of ways to get publications, including by computer, phone, and mail.

### Commonly Used Tax Forms

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See How To Get Tax Help for a variety of ways of getting forms, including by computer, fax, phone, and mail. For fax orders only, use the catalog number when ordering.

## Spanish Language Publications

15SP: Derechos del Contribuyente

759SP: Cómo Preparar la Declaración de Impuesto Federal

594SP: Comprendiendo el Proceso de Cobro

596SP: Crédito por Ingreso del Trabajo

850: English-Spanish Glossary of Words and Phrases Used in Publications

1544SP: Informe de Pagos en Efectivo en Exceso de $10,000 (Recibidos en una Ocupación o Negocio)