

Rev. Proc. 92-49, 1992-26 I.R.B. 18, 1992-1 C.B. 987

Revenue Procedure

Published: June 29, 1992

26 CFR 601.105; Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.

(Also Part 1, Section 170; 1.170A-1.)

SECTION 1. PURPOSE

This revenue procedure amplifies Rev. Proc. 90-12, 1990-1 C.B. 471, by providing additional guidelines for charitable organizations engaged in fund-raising activities. These additional guidelines generally provide that when charitable solicitations are accompanied by free, unordered, low cost items, the benefits are considered to have insubstantial fair market value, and the charity may advise potential contributors that the full amount of a contribution is deductible under section 170 of the Internal Revenue Code.

SEC. 2. GUIDELINES

01 The following guidelines in new subparagraph (c) are added after subparagraph (b) of paragraph 2 in section 3.01 of Rev. Proc. 90-12:

(c) The fund-raising campaign meets the following two requirements:

(1) The charity mails or otherwise distributes free, unordered items to patrons. To meet this requirement, any item received by a patron must not have been distributed at the patron's request or with the express consent of the patron. Any item distributed must be accompanied by a request for a charitable contribution and by a statement that the patron may retain the item whether or not the patron makes a contribution, (2) The cost (as opposed to fair market value) of all such items, in the aggregate, distributed by or on behalf of the organization to a single patron in a calendar year is within the limits established for "low cost articles" in section 513(h)(2) of the Code.

02 The other requirements of Rev. Proc. 90-12 must be followed, including the requirement in paragraph 1 of section 3.01 of Rev. Proc. 90-12 that a patron's payment to the charity must occur in the context of a fund-raising campaign in which the charity informs patrons how much of their payment is a deductible contribution.

SEC. 3. CONFORMING CHANGES

01 The following conforming changes are made to paragraph 2 in section 3.01 of Rev. Proc. 90-12:

(1) A semicolon is substituted for the comma before the word "or" at the end of subparagraph (a);

(2) The word “or” is deleted at the end of subparagraph (a); and

(3) A semicolon followed by the word “or” is added at the end of subparagraph (b).

02 The phrase “subparagraphs (b) and (c)” is substituted for the phrase “subparagraph (b)” in sections 3.04 (fifth sentence), 3.06 (first sentence), and 3.07 of Rev. Proc. 90-12.

EFFECT ON OTHER DOCUMENTS

Rev. Proc. 90-12 is amplified.

DRAFTING INFORMATION

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