



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

OFFICE OF  
CHIEF COUNSEL

August 10, 2007

Number: **INFO 2007-0035**  
Release Date: 9/28/2007

UIL: 170.01-00

CONEX-134036-07

The Honorable Charles E. Schumer  
United States Senator  
757 Third Avenue, Suite 17-02  
New York, New York 10017

Attention:

Dear Senator Schumer:

This letter responds to your inquiry dated \_\_\_\_\_, on behalf of your constituent, \_\_\_\_\_, who wrote about the rules for charitable contributions of stock. \_\_\_\_\_ said that she instructed her agent to transfer stock to a charity. A delay in the transfer affected her entitlement to a charitable contribution deduction. She thinks the rules should not distinguish between a donor who transfers stock to a charity and a donor who instructs his or her agent to do so.

\_\_\_\_\_ referred to a rule in section 1.170A-1(b) of the Income Tax Regulations. The regulation provides that a charitable contribution of stock is considered to be made at the time the donor delivers a properly endorsed stock certificate to the charity or the charity's agent. The regulation further provides that if the donor delivers the stock certificate to the donor's agent for transfer into the name of the charity, the gift is completed on the date the stock is transferred to the charity on the books of the corporation.

The distinction in the regulation reflects the general rule that an agent acts on behalf of (and is controlled by) the agent's principal. If a donor delivers stock to the charity's agent for transfer to the charity, the agent receives the stock on behalf of the charity. Thus, the charity has immediate control over the stock. However, if the donor delivers stock to the donor's own agent for transfer to a charity, the charity does not obtain control over the stock until it is transferred to the charity on the books of the corporation.

I hope this information is helpful. If you have any questions, please contact me at  
( ) or at

Sincerely,

George J. Blaine  
Associate Chief Counsel  
(Income Tax & Accounting)