



OFFICE OF
CHIEF COUNSEL

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

March 3, 2009

Number: **INFO 2009-0026**

Release Date: 3/27/2009

CONEX-104270-09

UIL: 170.09-00

The Honorable Mary Bono Mack
U.S. House of Representatives
Washington, DC 20515

Attention:

Dear Congresswoman Bono Mack:

I am responding to your letter dated November 18, 2008, on behalf of your constituent, . He asked whether donations to foreign charities are deductible on U.S. tax returns.

In general, taxpayers can only deduct charitable contributions to charities created or organized in the United States (section 170(c)(2)(A) of the Internal Revenue Code). However, taxpayers may be able to deduct contributions to qualifying domestic charities that support foreign charities if, among other things, the contributions are not "earmarked" for a particular foreign charity and the domestic charity has full control of the donated funds.

To illustrate this point, Revenue Ruling 63-252 gives the following example as a type of contribution that a taxpayer may not deduct for federal income tax purposes:

Certain persons in this country, desirous of furthering a foreign organization's work, formed a charitable organization within the United States. The charter of the domestic organization provides that it will receive contributions and send them, at convenient intervals, to the foreign organization.

Taxpayers cannot deduct contributions they make directly to foreign charities, nor can taxpayers usually deduct contributions to domestic charities that simply pass along those contributions to foreign charities. The above example can be compared with the

situation in Revenue Ruling 66-79, which allows a deduction for a contribution to a domestic charity that solicits contributions for the purpose of making grants to various foreign charities for particular projects. The domestic charity's board of directors must approve the grants and can withdraw approval at any time, the contributions are not earmarked for a particular foreign charity, and the domestic charity has full control over the donated funds. I am enclosing copies of Revenue Rulings 63-252 and 66-79 for your convenience.

Despite the general rule that taxpayers cannot deduct charitable contributions they make to foreign charities, taxpayers may be able to deduct contributions to charities of certain foreign countries if the United States has an agreement, such as a treaty, with the foreign country to allow for the deductibility of such contributions. To comment on specific contributions to charities in a particular foreign country, I would need more information (including the country in question and the type of charity involved).

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

Sincerely,

John P. Moriarty
Chief, Branch 1
Income Tax & Accounting

Enclosures (2)