

ID: CCA-02050810-16

Third Party Communication: None

UILC: 170.00-00, 170.12-09

Date of Communication: Not Applicable

Number: **201608012**

Release Date: 2/19/2016

---

**From:**

**Sent:** Friday, February 5, 2016 8:10 AM

**To:**

**Cc:**

**Bcc:**

**Subject:** Coin Donations

Hi –

You have asked whether a qualified appraisal is required under sec. 170(f)(11) when a taxpayer contributes a coin or collection of coins with a claimed value in excess of \$5,000. The answer is generally yes.

The “readily valued property” cash exception to the appraisal requirements, in sec. 170(f)(11)(A)(ii)(I), is inapplicable to the coins--unless (1) the value claimed by the donor for the coins does not exceed the face amount, and (2) the coins are acceptable as legal tender.

Section 170(f)(11) was enacted with the purpose of requiring qualified appraisals to ensure that contributions of property are not overvalued. See Staff of J. Comm. on Taxation, 108th Cong., General Explanation of Tax Legislation Enacted in the 108th Congress 461 (Comm. Print 2005) (“Congress believed that requiring C Corporations to obtain a qualified appraisal for charitable contributions of certain property in excess of \$5,000 ... would reduce valuation abuses.”); see also Staff of J. Comm. on Taxation, 98th Cong., General Explanation of the Revenue Provisions of the Deficit Reduction Act of 1984 502-510 (Comm. Print 1985) (Discusses how tax shelters were promoting inflated donation valuations, oftentimes using “independent” appraisals from promoters; notes that the qualified appraisal rules will “prove more effective in deterring taxpayers from inflating claimed deductions than relying solely on the uncertainties of the audit process and on penalties imposed on those overvaluations that detected on audit.”).

When the deduction claimed exceeds the face amount of the coins, there is a potential valuation issue, and therefore the “cash” exception to the appraisal requirements does not apply.

If you would like additional advice in connection with coin donations, let us know.