

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

April 18, 2018
UIL Code: 170.07-07

Number: **2024-0007**
Release Date: 3/29/2024

GENIN-110150-18

Dear _____ :

Thank you for your March 22, 2018 inquiry about donations of tangible property to foreign charities and to US-based charities that operate as “friends of” organizations for foreign charities.

Taxpayers generally cannot receive a charitable contribution deduction for donations to foreign charities. Exceptions exist for donations to certain Canadian, Israeli, and Mexican charities.

Deductions for donations of property to US-based charities that operate as “friends of” organizations for foreign charities may be allowed, subject to certain exceptions. For example, a taxpayer cannot receive a deduction for a donation to a US-based charity if the donated property is earmarked for a foreign charity or if the US-based organization is merely a conduit for a donation to a foreign charity. Additionally, the deduction could be limited to the taxpayer’s basis (generally, the amount the taxpayer paid to acquire the property) in the donated property if a sale of the property would have produced long-term capital gain and the donee’s use of the property is unrelated to the donee’s exempt purpose. For more information, please read Publication 526, Charitable Contributions.

I hope this information is helpful. If you have additional questions, please contact _____ or me _____ at _____ .

Norma Rotunno
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Office of Associate Chief Counsel
(Income Tax and Accounting)