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

OFFICE OF THE CHIEF COUNSEL

June 26, 2026

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Attention:

Dear :

This letter refers to a request for a Private Letter Ruling (PLR), filed on behalf of ., seeking various rulings under § 170 of the Internal Revenue Code (Code) and associated Income Tax Regulations (Regulations).

As discussed in detail in our teleconference call of , the Office of Chief Counsel will not ordinarily issue letter rulings in certain areas because of the factual nature of the matter; where a request concerns the tax consequences of a transaction for taxpayers who are not directly involved in the ruling request; or with respect to an issue that is clearly and adequately addressed by statute, regulation, or court decision or other authority published in the Internal Revenue Bulletin. See §§ 6.02, 6.06 and 6.11 of Rev. Proc. 2025-1, 2025-1 I.R.B. 1, 18-21. As a result, the Office of Chief Counsel must decline to rule on your requested PLR. Accordingly, we will consider this matter closed and no further action will be taken by this office. Pursuant to §§ 15.03(7) and 15.10(4) of Rev. Proc. 2025-1, your user fee will be refunded.

During our call, however, you expressed an interest in receiving an information letter in lieu of a PLR. See § 6.02 of Rev. Proc. 2025-1. Specifically, you have requested an information letter generally detailing the requirements to claim a charitable contribution deduction under § 170 of the Code and the associated Regulations. Section 2.04 of Rev. Proc. 2025-1, 2025-1 I.R.B. 1, 8, states that a general information letter calls attention to a well-established interpretation or principle of tax law without applying it to a specific set of facts. I hope that the following general information is helpful.

Section 170(a)(1) of the Code provides the general rule that allows a deduction for any charitable contribution (as defined in § 170(c)) of which payment is made within the taxable year, and verified under the regulations prescribed by the Secretary.

Section 170(c) defines a “charitable contribution” as a contribution or gift to or for the use of any entity or organization described in that section. Section 170(c)(1) and (2), for instance, generally provides that a charitable contribution includes gifts to the United States, the individual States, or any political subdivisions thereof, but only if the contribution or gift is made for exclusively public purposes; or to a corporation, trust, or community chest, fund, or foundation that is organized within the United States or its possessions, and operated exclusively for, among other things, religious, charitable, scientific, literary, or educational purposes. See § 170(c)(3), (4) and (5) (less common donees may include certain organizations of war veterans, domestic fraternal societies, or cemetery companies)

If a taxpayer makes a gift of property other than money, the amount of the contribution is generally equal to the fair market value of the property at the time of the gift. See Treas. Reg. § 1.170A-1(c)(1). Section 1.170A-1(c)(2) of the Regulations defines fair market value as the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

Section 170(e)(1), however, reduces the amount of the deduction for non-cash contributions of ordinary income and certain capital gain property. For instance, §170(e)(1)(A) provides that a deduction otherwise allowable for a contribution of property shall be reduced by the amount of gain which would not have been long-term capital gain if the property contributed had been sold by the taxpayer at its fair market value (determined at the time of such contribution). Meaning, a taxpayer's deduction for a contribution of ordinary income property is typically limited to the donor's cost or adjusted basis in the property. See Jones v. Commissioner, 560 F.3d 1196, 1199 (10th Cir. 2009), aff'g 129 T.C. 146 (2007).

Section 170(f) disallows certain charitable contribution deductions and otherwise prescribes rules for substantiating certain contributions.

Section 170(f)(3)(A) disallows a deduction when a taxpayer contributes an interest in property which consists of less than the taxpayer's entire interest in such property. Section 170(f)(3)(B) provides narrow exceptions from this broad prohibition for contributions of a partial interest in property. These exceptions are for: a remainder interest in a personal residence or farm; an undivided portion of the taxpayer's entire interest in property; or a qualified conservation contribution. That means someone who owns property and donates to charity only a partial interest in that property may only claim a charitable contribution deduction for that donation when the partial interest falls within one of those exceptions.

For contributions of $250 or more, § 170(f)(8) provides that no deduction shall be allowed unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgment from the donee organization. Section 170(f)(8)(B) provides that a contemporaneous written acknowledgment must include the following information:(i) the amount of cash and a description (but not value) of any property other than cash contributed, (ii) whether the donee organization provided any goods or services in consideration, in whole or in part, for any property described in clause (i), and (iii) a description and good faith estimate of the value of any goods or services referred to in clause (ii). Section 170(f)(8)(C) provides that an acknowledgement shall be considered contemporaneous if it is obtained on or before the earlier of: (i) the date on which the taxpayer files a return for the year when the contribution was made or (ii) the due date for that return, including any extensions.

When claiming a deduction for a non-cash contribution, strict substantiation and reporting requirements must be satisfied. These requirements are found in § 170(f)(11) and the regulations thereunder.

For example, § 170(f)(11)(C) provides that for property contributions for which a deduction of more than $5,000 is claimed, a taxpayer must obtain a “qualified appraisal” of the property contributed, and attach to their federal income tax return for the year of contribution such information regarding the contributed property and appraisal as the Secretary may require. See Treas. Reg. § 1.170A-16 (detailing the Secretary’s applicable substantiation and information reporting requirements for charitable contributions).

Section 170(f)(11)(E)(i) provides that the term “qualified appraisal” means an appraisal that is (1) treated as a qualified appraisal under regulations or other guidance prescribed by the Secretary, and (2) conducted by a “qualified appraiser” in accordance with generally accepted appraisal standards and any regulations or other guidance prescribed by the Secretary.

Section 170(f)(11)(E)(ii) provides that the term “qualified appraiser” means an individual who (1) has earned an appraisal designation from a recognized professional appraiser organization or has otherwise met minimum education and experience requirements set forth in regulations prescribed by the Secretary, (2) regularly performs appraisals for which the individual receives compensation, and (3) meets such other requirements as may be prescribed by the Secretary in regulations or other guidance. Section 170(f)(11)(E)(iii) further provides that an individual will not be treated as a qualified appraiser unless that individual (1) demonstrates verifiable education and experience in valuing the type of property subject to the appraisal, and (2) has not been prohibited from practicing before the Internal Revenue Service by the Secretary under § 330(c) of Title 31 of the United States Code at any time during the 3-year period ending on the date of the appraisal.

Please see Treas. Reg. § 1.170A-17 for further information as to the Secretary’s specific requirements regarding qualified appraisals and a qualified appraisers.

This letter has called your attention to certain general principles of the law. It is intended for informational purposes only and does not constitute a ruling. See § 2.04 of Rev. Proc. 2025-1. If you have any additional questions, please contact our office at .

Sincerely,

Ian Heminsley
Senior Counsel
Office of Associate Chief Counsel
(Income Tax & Accounting)