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Charitable Contributions

For use in preparing
2017 Returns

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Future Developments

For the latest information about developments related to Pub. 526 (such as legislation enacted after we release it), go to *IRS.gov/Pub526*.

What's New

Temporary suspension of limits. Certain cash contributions you made for relief efforts in Hurricane Harvey or Tropical Storm Harvey, Hurricane Irma, Hurricane Maria, or California wildfires are not subject to the 50% limit or the overall limit on itemized deductions. See *Temporary Suspension of 50% Limit for Disaster Area Contributions* or Pub. 976, Disaster Relief for more information.

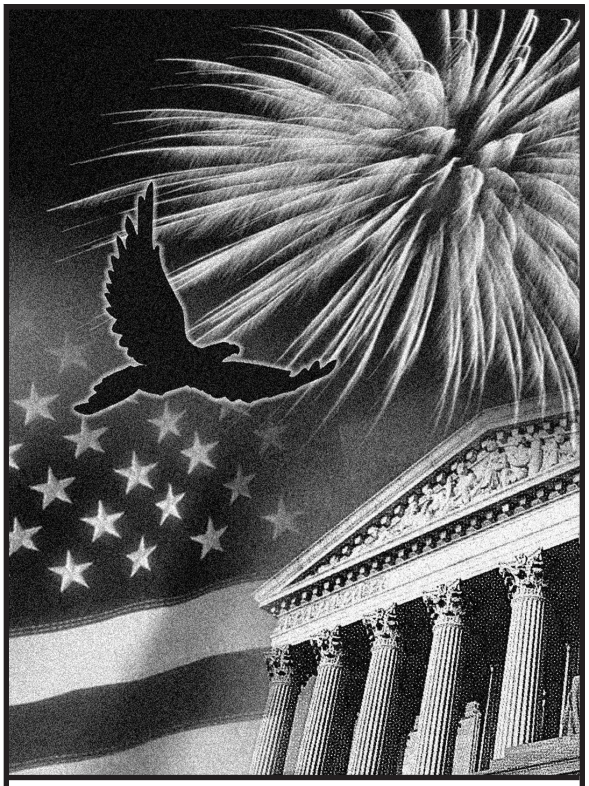
Limit on itemized deductions. For 2017, you may have to reduce the total amount of certain itemized deductions, including charitable contributions, if your adjusted gross income is more than:

- $156,900 if married filing separately,
- $261,500 if single,
- $287,650 if head of household, or
- $313,800 if married filing jointly or qualifying widow(er).

For more information and a worksheet, see the Instructions for Schedule A (Form 1040).

Reminders

Disaster relief. You can deduct contributions for flood relief, hurricane relief, or other disaster relief to a qualified organization (defined under



Get forms and other information faster and easier at:

- *IRS.gov* (English)
- *IRS.gov/Spanish* (Español)
- *IRS.gov/Chinese* (中文)
- *IRS.gov/Korean* (한국어)
- *IRS.gov/Russian* (Русский)
- *IRS.gov/Vietnamese* (TiếngViệt)

Organizations That Qualify To Receive Deductible Contributions). However, you can't deduct contributions earmarked for relief of a particular individual or family.

Pub. 3833, Disaster Relief, Providing Assistance Through Charitable Organizations, has more information about disaster relief, including how to establish a new charitable organization. You can also find more information on IRS.gov. Enter "disaster relief" in the search box.

Photographs of missing children. The IRS is a proud partner with the National Center for Missing & Exploited Children® (NCMEC). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) or visiting www.missingkids.com if you recognize a child.

Introduction

This publication explains how to claim a deduction for your charitable contributions. It discusses the types of organizations to which you can make deductible charitable contributions and the types of contributions you can deduct. It also discusses how much you can deduct, what records you must keep, and how to report charitable contributions.

A charitable contribution is a donation or gift to, or for the use of, a qualified organization. It is voluntary and is made without getting, or expecting to get, anything of equal value.

Qualified organizations. Qualified organizations include nonprofit groups that are religious, charitable, educational, scientific, or literary in purpose, or that work to prevent cruelty to children or animals. You will find descriptions of these organizations under Organizations That Qualify To Receive Deductible Contributions.

Form 1040 required. To deduct a charitable contribution, you must file Form 1040 and itemize deductions on Schedule A (Form 1040). The amount of your deduction may be limited if certain rules and limits explained in this publication apply to you.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can send us comments through IRS.gov/FormComments. Or you can write to:

Internal Revenue Service
Tax Forms and Publications
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax forms, instructions, and publications.

Ordering forms and publications. Visit IRS.gov/FormsPubs to download forms and publications. Otherwise, you can go to IRS.gov/OrderForms to order current and prior-year forms and instructions. Your order should arrive within 10 business days.

Tax questions. If you have a tax question not answered by this publication, check IRS.gov and How To Get Tax Help at the end of this publication.

Useful Items

You may want to see:

Publication

- ❑ **561** Determining the Value of Donated Property
- ❑ **976** Disaster Relief

Forms (and Instructions)

- ❑ **Schedule A (Form 1040)** Itemized Deductions
- ❑ **8283** Noncash Charitable Contributions

See How To Get Tax Help near the end of this publication for information about getting these publications and forms.

Organizations That Qualify To Receive Deductible Contributions

You can deduct your contributions only if you make them to a qualified organization. Most organizations, other than churches and governments, must apply to the IRS to become a qualified organization.

How to check whether an organization can receive deductible charitable contributions. You can ask any organization whether it is a qualified organization, and most will be able to tell you. Or go to IRS.gov. Click on "Tools" and then on "Exempt Organizations Select Check" (IRS.gov/EOSelectCheck). This online tool will enable you to search for qualified organizations.

Types of Qualified Organizations

Generally, only the following types of organizations can be qualified organizations.

1. A community chest, corporation, trust, fund, or foundation organized or created in or under the laws of the United States, any state, the District of Columbia, or any possession of the United States (including Puerto Rico). It must, however, be organized and operated only for charitable, religious, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Certain organizations that foster national or international amateur sports competition also qualify.
2. War veterans' organizations, including posts, auxiliaries, trusts, or foundations, organized in the United States or any of its possessions (including Puerto Rico).
3. Domestic fraternal societies, orders, and associations operating under the lodge system. (Your contribution to this type of organization is deductible only if it is to be used solely for charitable, religious, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.)
4. Certain nonprofit cemetery companies or corporations. (Your contribution to this type of organization isn't deductible if it can be used for the care of a specific lot or mausoleum crypt.)
5. The United States or any state, the District of Columbia, a U.S. possession (including Puerto Rico), a political subdivision of a state or U.S. possession, or an Indian tribal government or any of its subdivisions that perform substantial government functions. (Your contribution to this type of organization is deductible only if it is to be used solely for public purposes.)

   Example 1. You contribute cash to your city's police department to be used as a reward for information about a crime. The city police department is a qualified organization, and your contribution is for a public purpose. You can deduct your contribution.

   Example 2. You make a voluntary contribution to the social security trust fund, not earmarked for a specific account. Because the trust fund is part of the U.S. government, you contributed to a qualified organization. You can deduct your contribution.

Examples. The following list gives some examples of qualified organizations.

- Churches, a convention or association of churches, temples, synagogues, mosques, and other religious organizations.
- Most nonprofit charitable organizations such as the American Red Cross and the United Way.
- Most nonprofit educational organizations, including the Boy Scouts of America, Girl Scouts of America, colleges, and museums. This also includes nonprofit daycare centers that provide childcare to the general public if substantially all the childcare is provided to enable parents and guardians to be gainfully employed. However, if your contribution is a substitute for tuition or other enrollment fee, it isn't deductible as a charitable contribution, as explained later under Contributions You Can't Deduct.
- Nonprofit hospitals and medical research organizations.
- Utility company emergency energy programs, if the utility company is an agent for a charitable organization that assists individuals with emergency energy needs.
- Nonprofit volunteer fire companies.
- Nonprofit organizations that develop and maintain public parks and recreation facilities.
- Civil defense organizations.

Canadian charities. You may be able to deduct contributions to certain Canadian charitable organizations covered under an income tax treaty with Canada. To deduct your contribution to a Canadian charity, you generally must have income from sources in Canada. See Pub. 597, Information on the United States-Canada

Income Tax Treaty, for information on how to figure your deduction.

Mexican charities. Under the U.S.-Mexico income tax treaty, a contribution to a Mexican charitable organization may be deductible, but only if and to the extent the contribution would have been treated as a charitable contribution to a public charity created or organized under U.S. law. To deduct your contribution to a Mexican charity, you must have income from sources in Mexico. The limits described in *Limits on Deductions*, later, apply and are figured using your income from Mexican sources.

Israeli charities. Under the U.S.-Israel income tax treaty, a contribution to an Israeli charitable organization is deductible if and to the extent the contribution would have been treated as a charitable contribution if the organization had been created or organized under U.S. law. To deduct your contribution to an Israeli charity, you must have income from sources in Israel. The limits described in *Limits on Deductions*, later, apply. The deduction is also limited to 25% of your adjusted gross income from Israeli sources.

Contributions You Can Deduct

Generally, you can deduct contributions of money or property you make to, or for the use of, a qualified organization. A contribution is "for the use of" a qualified organization when it is held in a legally enforceable trust for the qualified organization or in a similar legal arrangement.

The contributions must be made to a qualified organization and not set aside for use by a specific person.

If you give property to a qualified organization, you generally can deduct the fair market value of the property at the time of the contribution. See *Contributions of Property*, later.

Your deduction for charitable contributions generally can't be more than 50% of your adjusted gross income (AGI), but in some cases 20% and 30% limits may apply.

In addition, the total of your charitable contributions deduction and certain other itemized deductions may be limited. See *Limits on Deductions*, later.

TIP *The 50% limit is suspended for certain disaster related contributions. See Temporary Suspension of 50% Limit for Disaster Area Contributions, later.*

Table 1 gives examples of contributions you can and can't deduct.

Table 1. Examples of Charitable Contributions—A Quick Check

Use the following lists for a quick check of whether you can deduct a contribution. See the rest of this publication for more information and additional rules and limits that may apply.

Deductible As Charitable Contributions	Not Deductible As Charitable Contributions
Money or property you give to: • Churches, synagogues, temples, mosques, and other religious organizations • Federal, state, and local governments, if your contribution is solely for public purposes (for example, a gift to reduce the public debt or maintain a public park) • Nonprofit schools and hospitals • The Salvation Army, American Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts of America, Girl Scouts of America, Boys and Girls Clubs of America, etc. • War veterans' groups	Money or property you give to: • Civic leagues, social and sports clubs, labor unions, and chambers of commerce • Foreign organizations (except certain Canadian, Israeli, and Mexican charities) • Groups that are run for personal profit • Groups whose purpose is to lobby for law changes • Homeowners' associations • Individuals • Political groups or candidates for public office
Expenses paid for a student living with you, sponsored by a qualified organization	Cost of raffle, bingo, or lottery tickets
Out-of-pocket expenses when you serve a qualified organization as a volunteer	Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups
	Tuition
	Value of your time or services
	Value of blood given to a blood bank

Contributions From Which You Benefit

If you receive a benefit as a result of making a contribution to a qualified organization, you can deduct only the amount of your contribution that is more than the value of the benefit you receive. Also see *Contributions From Which You Benefit* under *Contributions You Can't Deduct*, later.

If you pay more than fair market value to a qualified organization for goods or services, the excess may be a charitable contribution. For the excess amount to qualify, you must pay it with the intent to make a charitable contribution.

Example 1. You pay $65 for a ticket to a dinner dance at a church. Your entire $65 payment goes to the church. The ticket to the dinner dance has a fair market value of $25. When you buy your ticket, you know its value is less than your payment. To figure the amount of your charitable contribution, subtract the value of the benefit you receive ($25) from your total payment ($65). You can deduct $40 as a charitable contribution to the church.

Example 2. At a fundraising auction conducted by a charity, you pay $600 for a week's stay at a beach house. The amount you pay is no more than the fair rental value. You haven't made a deductible charitable contribution.

Athletic events. If you make a payment to, or for the benefit of, a college or university and, as a result, you receive the right to buy tickets to an athletic event in the athletic stadium of the college or university, you can deduct 80% of the payment as a charitable contribution.

If any part of your payment is for tickets (rather than the right to buy tickets), 100% of that part isn't deductible. Subtract the price of the tickets from your payment. You can deduct 80% of the remaining amount as a charitable contribution.

Example 1. You pay $300 a year for membership in a university's athletic scholarship program. The only benefit of membership is that you have the right to buy one season ticket for a seat in a designated area of the stadium at the university's home football games. You can deduct $240 (80% of $300) as a charitable contribution.

Example 2. The facts are the same as in *Example 1* except your $300 payment includes the purchase of one season ticket for the stated ticket price of $120. You must subtract the usual price of a ticket ($120) from your $300 payment. The result is $180. Your deductible charitable contribution is $144 (80% of $180).

Charity benefit events. If you pay a qualified organization more than fair market value for the right to attend a charity ball, banquet, show, sporting event, or other benefit event, you can deduct only the amount that is more than the value of the privileges or other benefits you receive.

If there is an established charge for the event, that charge is the value of your benefit. If there is no established charge, the reasonable value of the right to attend the event is the value of your benefit. Whether you use the tickets or other privileges has no effect on the amount you can deduct. However, if you return the ticket to the qualified organization for resale, you can deduct the entire amount you paid for the ticket.

CAUTION *Even if the ticket or other evidence of payment indicates that the payment is a "contribution," this doesn't mean you can deduct the entire amount. If the ticket shows the price of admission and the amount of the contribution, you can deduct the contribution amount.*

Example. You pay $40 to see a special showing of a movie for the benefit of a qualified organization. Printed on the ticket is "Contribution—$40." If the regular price for the movie is $8, your contribution is $32 ($40 payment – $8 regular price).

Membership fees or dues. You may be able to deduct membership fees or dues you pay to a qualified organization. However, you can deduct only the amount that is more than the value of the benefits you receive.

You can't deduct dues, fees, or assessments paid to country clubs and other social organizations. They aren't qualified organizations.

Certain membership benefits can be disregarded. Both you and the organization can disregard the following membership benefits if you get them in return for an annual payment of $75 or less.

1. Any rights or privileges, other than those discussed under *Athletic events*, earlier, that you can use frequently while you are a member, such as:
   a. Free or discounted admission to the organization's facilities or events,
   b. Free or discounted parking,
   c. Preferred access to goods or services, and
   d. Discounts on the purchase of goods and services.
2. Admission, while you are a member, to events open only to members of the organization if the organization reasonably projects that the cost per person (excluding any allocated overhead) isn't more than $10.70.

Token items. You don't have to reduce your contribution by the value of any benefit you receive if both of the following are true.

1. You receive only a small item or other benefit of token value.
2. The qualified organization correctly determines that the value of the item or benefit you received isn't substantial and informs you that you can deduct your payment in full.

The organization determines whether the value of an item or benefit is substantial by using Revenue Procedures 90-12 and 92-49 and the inflation adjustment in Revenue Procedure 2016-55.

Written statement. A qualified organization must give you a written statement if you make a payment of more than $75 that is partly a contribution and partly for goods or services. The statement must say you can deduct only the amount of your payment that is more than the value of the goods or services you received. It must also give you a good faith estimate of the value of those goods or services.

The organization can give you the statement either when it solicits or when it receives the payment from you.

Exception. An organization won't have to give you this statement if one of the following is true.

1. The organization is:
   a. A governmental organization described in (5) under *Types of Qualified Organizations*, earlier, or
   b. An organization formed only for religious purposes, and the only benefit you receive is an intangible religious benefit (such as admission to a religious ceremony) that generally isn't sold in commercial transactions outside the donative context.
2. You receive only items whose value isn't substantial as described under *Token items*, earlier.
3. You receive only membership benefits that can be disregarded, as described under *Membership fees or dues*, earlier.

Expenses Paid for Student Living With You

You may be able to deduct some expenses of having a student live with you. You can deduct qualifying expenses for a foreign or American student who:

1. Lives in your home under a written agreement between you and a qualified organization (defined later) as part of a program of the organization to provide educational opportunities for the student,
2. Isn't your relative (defined later) or dependent (also defined later), and
3. Is a full-time student in the twelfth or any lower grade at a school in the United States.

TIP *You can deduct up to $50 a month for each full calendar month the student lives with you. Any month when conditions (1) through (3) are met for 15 or more days counts as a full month.*

Qualified organization. For these purposes, a qualified organization can be any of the organizations described earlier under *Types of Qualified Organizations*, except those in (4) and (5). For example, if you are providing a home for a student as part of a state or local government program, you can't deduct your expenses as charitable contributions. But see *Foster parents* under *Out-of-Pocket Expenses in Giving Services*, later, if you provide the home as a foster parent.

Relative. The term "relative" means any of the following persons.

- Your child, stepchild, foster child, or a descendant of any of them (for example, your grandchild). A legally adopted child is considered your child.
- Your brother, sister, half brother, half sister, stepbrother, or stepsister.
- Your father, mother, grandparent, or other direct ancestor.
- Your stepfather or stepmother.
- A son or daughter of your brother or sister.
- A brother or sister of your father or mother.
- Your son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law.

Dependent. For this purpose, the term "dependent" means:

1. A person you can claim as a dependent, or
2. A person you could have claimed as a dependent except that:
   a. He or she received gross income of $4,050 or more;
   b. He or she filed a joint return; or
   c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's 2017 return.

TIP *Foreign students brought to this country under a qualified international education exchange program and placed in American homes for a temporary period generally aren't U.S. residents and can't be claimed as dependents.*

Qualifying expenses. You may be able to deduct the cost of books, tuition, food, clothing, transportation, medical and dental care, entertainment, and other amounts you actually spend for the well-being of the student.

Expenses that don't qualify. You can't deduct depreciation on your home, the fair market value of lodging, and similar items not considered amounts actually spent by you. Nor can you deduct general household expenses, such as taxes, insurance, and repairs.

Reimbursed expenses. In most cases, you can't claim a charitable contribution deduction if you are compensated or reimbursed for any part of the costs of having a student live with you. However, you may be able to claim a charitable contribution deduction for the unreimbursed portion of your expenses if you are reimbursed only for an extraordinary or one-time item, such as a hospital bill or vacation trip, you paid in advance at the request of the student's parents or the sponsoring organization.

Mutual exchange program. You can't deduct the costs of a foreign student living in your home under a mutual exchange program through which your child will live with a family in a foreign country.

Reporting expenses. For a list of what you must file with your return if you deduct expenses for a student living with you, see *Reporting expenses for student living with you* under *How To Report*, later.

Out-of-Pocket Expenses in Giving Services

Although you can't deduct the value of your services given to a qualified organization, you may be able to deduct some amounts you pay in giving services to a qualified organization. The amounts must be:

- Unreimbursed;
- Directly connected with the services;

Table 2. **Volunteers' Questions and Answers**

If you volunteer for a qualified organization, the following questions and answers may apply to you. All of the rules explained in this publication also apply. See, in particular, *Out-of-Pocket Expenses in Giving Services*.

Question	Answer
I volunteer 6 hours a week in the office of a qualified organization. The receptionist is paid $10 an hour for the same work. Can I deduct $60 a week for my time?	No, you can't deduct the value of your time or services.
The office is 30 miles from my home. Can I deduct any of my car expenses for these trips?	Yes, you can deduct the costs of gas and oil that are directly related to getting to and from the place where you volunteer. If you don't want to figure your actual costs, you can deduct 14 cents for each mile.
I volunteer as a Red Cross nurse's aide at a hospital. Can I deduct the cost of the uniforms I must wear?	Yes, you can deduct the cost of buying and cleaning your uniforms if the hospital is a qualified organization, the uniforms aren't suitable for everyday use, and you must wear them when volunteering.
I pay a babysitter to watch my children while I volunteer for a qualified organization. Can I deduct these costs?	No, you can't deduct payments for childcare expenses as a charitable contribution, even if you would be unable to volunteer without childcare. (If you have childcare expenses so you can work for pay, see Pub. 503, Child and Dependent Care Expenses.)

- Expenses you had only because of the services you gave; and
- Not personal, living, or family expenses.

Table 2 contains questions and answers that apply to some individuals who volunteer their services.

Underprivileged youths selected by charity. You can deduct reasonable unreimbursed out-of-pocket expenses you pay to allow underprivileged youths to attend athletic events, movies, or dinners. The youths must be selected by a charitable organization whose goal is to reduce juvenile delinquency. Your own similar expenses in accompanying the youths aren't deductible.

Conventions. If a qualified organization selects you to attend a convention as its representative, you can deduct your unreimbursed expenses for travel, including reasonable amounts for meals and lodging, while away from home overnight for the convention. However, see *Travel*, later.

You can't deduct personal expenses for sightseeing, fishing parties, theater tickets, or nightclubs. You also can't deduct travel, meals and lodging, and other expenses for your spouse or children.

You can't deduct your travel expenses in attending a church convention if you go only as a member of your church rather than as a chosen representative. You can, however, deduct unreimbursed expenses that are directly connected with giving services for your church during the convention.

Uniforms. You can deduct the cost and upkeep of uniforms that aren't suitable for everyday use and that you must wear while performing donated services for a charitable organization.

Foster parents. You may be able to deduct as a charitable contribution some of the costs of being a foster parent (foster care provider) if you have no profit motive in providing the foster care and aren't, in fact, making a profit. A qualified organization must select the individuals you take into your home for foster care.

You can deduct expenses that meet both of the following requirements.

1. They are unreimbursed out-of-pocket expenses to feed, clothe, and care for the foster child.
2. They are incurred primarily to benefit the qualified organization.

Unreimbursed expenses that you can't deduct as charitable contributions may be considered support provided by you in determining whether you can claim the foster child as a dependent. For details, see Pub. 501, Exemptions, Standard Deduction, and Filing Information.

Example. You cared for a foster child because you wanted to adopt her, not to benefit the agency that placed her in your home. Your unreimbursed expenses aren't deductible as charitable contributions.

Church deacon. You can deduct as a charitable contribution any unreimbursed expenses you have while in a permanent diaconate program established by your church. These expenses include the cost of vestments, books, and transportation required in order to serve in the program as either a deacon candidate or an ordained deacon.

Car expenses. You can deduct as a charitable contribution any unreimbursed out-of-pocket expenses, such as the cost of gas and oil, directly related to the use of your car in giving services to a charitable organization. You can't deduct general repair and maintenance expenses, depreciation, registration fees, or the costs of tires or insurance.

If you don't want to deduct your actual expenses, you can use a standard mileage rate of 14 cents a mile to figure your contribution.

You can deduct parking fees and tolls whether you use your actual expenses or the standard mileage rate.

You must keep reliable written records of your car expenses. For more information, see *Car expenses* under *Records To Keep*, later.

Travel. Generally, you can claim a charitable contribution deduction for travel expenses necessarily incurred while you are away from home performing services for a charitable organization only if there is no significant element of personal pleasure, recreation, or vacation in the travel. This applies whether you pay the expenses directly or indirectly. You are paying the expenses indirectly if you make a payment to the charitable organization and the organization pays for your travel expenses.

The deduction for travel expenses won't be denied simply because you enjoy providing services to the charitable organization. Even if you enjoy the trip, you can take a charitable contribution deduction for your travel expenses if you are on duty in a genuine and substantial sense throughout the trip. However, if you have only nominal duties, or if for significant parts of the trip you don't have any duties, you can't deduct your travel expenses.

Example 1. You are a troop leader for a tax-exempt youth group and you take the group on a camping trip. You are responsible for overseeing the setup of the camp and for providing adult supervision for other activities during the entire trip. You participate in the activities of the group and enjoy your time with them. You oversee the breaking of camp and you transport the group home. You can deduct your travel expenses.

Example 2. You sail from one island to another and spend 8 hours a day counting whales and other forms of marine life. The project is sponsored by a charitable organization. In most circumstances, you can't deduct your expenses.

Example 3. You work for several hours each morning on an archeological dig sponsored by a charitable organization. The rest of the day is free for recreation and sightseeing. You can't take a charitable contribution deduction even though you work very hard during those few hours.

Example 4. You spend the entire day attending a charitable organization's regional meeting as a chosen representative. In the evening you go to the theater. You can claim your travel expenses as charitable contributions, but you can't claim the cost of your evening at the theater.

Daily allowance (per diem). If you provide services for a charitable organization and receive a daily allowance to cover reasonable travel expenses, including meals and lodging

while away from home overnight, you must include in income any part of the allowance that is more than your deductible travel expenses. You may be able to deduct any necessary travel expenses that are more than the allowance.

Deductible travel expenses. These include:

- Air, rail, and bus transportation;
- Out-of-pocket expenses for your car;
- Taxi fares or other costs of transportation between the airport or station and your hotel;
- Lodging costs; and
- The cost of meals.

Because these travel expenses aren't business-related, they aren't subject to the same limits as business-related expenses. For information on business travel expenses, see *Travel* in Pub. 463, Travel, Entertainment, Gift, and Car Expenses.

Expenses of Whaling Captains

You may be able to deduct as a charitable contribution any reasonable and necessary whaling expenses you pay during the year to carry out sanctioned whaling activities. The deduction is limited to $10,000 a year. To claim the deduction, you must be recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities.

Sanctioned whaling activities are subsistence bowhead whale hunting activities conducted under the management plan of the Alaska Eskimo Whaling Commission.

Whaling expenses include expenses for:

- Acquiring and maintaining whaling boats, weapons, and gear used in sanctioned whaling activities;
- Supplying food for the crew and other provisions for carrying out these activities; and
- Storing and distributing the catch from these activities.

RECORDS You must keep records showing the time, place, date, amount, and nature of the expenses. For details, see Revenue Procedure 2006-50, 2006-47 I.R.B. 944, available at www.IRS.gov/irb/2006-47_IRB/ar12.html.

Contributions You Can't Deduct

There are some contributions you can't deduct and others you can deduct only in part.

You can't deduct as a charitable contribution:

1. A contribution to a specific individual,
2. A contribution to a nonqualified organization,
3. The part of a contribution from which you receive or expect to receive a benefit,
4. The value of your time or services,
5. Your personal expenses,
6. A qualified charitable distribution from an individual retirement arrangement (IRA),
7. Appraisal fees,
8. Certain contributions to donor-advised funds, or
9. Certain contributions of partial interests in property.

Detailed discussions of these items follow.

Contributions to Individuals

You can't deduct contributions to specific individuals, including the following.

- Contributions to fraternal societies made for the purpose of paying medical or burial expenses of members.
- Contributions to individuals who are needy or worthy. You can't deduct these contributions even if you make them to a qualified organization for the benefit of a specific person. But you can deduct a contribution to a qualified organization that helps needy or worthy individuals if you don't indicate that your contribution is for a specific person.

  Example. You can deduct contributions to a qualified organization for flood relief, hurricane relief, or other disaster relief. However, you cannot deduct contributions earmarked for relief of a particular individual or family.
- Payments to a member of the clergy that can be spent as he or she wishes, such as for personal expenses.
- Expenses you paid for another person who provided services to a qualified organization.

  Example. Your son does missionary work. You pay his expenses. You can't claim a deduction for your son's unreimbursed expenses related to his contribution of services.
- Payments to a hospital that are for a specific patient's care or for services for a specific patient. You can't deduct these payments even if the hospital is operated by a city, state, or other qualified organization.

Contributions to Nonqualified Organizations

You can't deduct contributions to organizations that aren't qualified to receive tax-deductible contributions, including the following.

1. Certain state bar associations if:
   a. The bar isn't a political subdivision of a state;
   b. The bar has private, as well as public, purposes, such as promoting the professional interests of members; and
   c. Your contribution is unrestricted and can be used for private purposes.
2. Chambers of commerce and other business leagues or organizations.
3. Civic leagues and associations.
4. Country clubs and other social clubs.
5. Foreign organizations other than certain Canadian, Israeli, or Mexican charitable organizations. (See *Canadian charities*, *Mexican charities*, and *Israeli charities* under *Organizations That Qualify To Receive Deductible Contributions*, earlier.) Also, you can't deduct a contribution you made to any qualifying organization if the contribution is earmarked to go to a foreign organization. However, certain contributions to a qualified organization for use in a program conducted by a foreign charity may be deductible as long as they aren't earmarked to go to the foreign charity. For the contribution to be deductible, the qualified organization must approve the program as furthering its own exempt purposes and must keep control over the use of the contributed funds. The contribution is also deductible if the foreign charity is only an administrative arm of the qualified organization.
6. Homeowners' associations.
7. Labor unions. But you may be able to deduct union dues as a miscellaneous itemized deduction, subject to the 2%-of-adjusted-gross-income limit, on Schedule A (Form 1040). See Pub. 529, Miscellaneous Deductions.
8. Political organizations and candidates.

Contributions From Which You Benefit

If you receive or expect to receive a financial or economic benefit as a result of making a contribution to a qualified organization, you can't deduct the part of the contribution that represents the value of the benefit you receive. See *Contributions From Which You Benefit* under *Contributions You Can Deduct*, earlier. These contributions include the following.

- Contributions for lobbying. This includes amounts you earmark for use in, or in connection with, influencing specific legislation.
- Contributions to a retirement home for room, board, maintenance, or admittance. Also, if the amount of your contribution depends on the type or size of apartment you will occupy, it isn't a charitable contribution.
- Costs of raffles, bingo, lottery, etc. You can't deduct as a charitable contribution amounts you pay to buy raffle or lottery tickets or to play bingo or other games of chance. For information on how to report gambling winnings and losses, see *Deductions Not Subject to the 2% Limit* in Pub. 529.
- Dues to fraternal orders and similar groups. However, see *Membership fees or dues* under *Contributions From Which You Benefit*, earlier.
- Tuition, or amounts you pay instead of tuition. You can't deduct as a charitable contribution amounts you pay as tuition even if you pay them for children to attend parochial schools or qualifying nonprofit day-care centers. You also can't deduct any fixed amount you must pay in addition to, or instead of, tuition to enroll in a private

school, even if it is designated as a "donation."

- Contributions connected with split-dollar insurance arrangements. You can't deduct any part of a contribution to a charitable organization if, in connection with the contribution, the organization directly or indirectly pays, has paid, or is expected to pay any premium on any life insurance, annuity, or endowment contract for which you, any member of your family, or any other person chosen by you (other than a qualified charitable organization) is a beneficiary.

Example. You donate money to a charitable organization. The charity uses the money to purchase a cash value life insurance policy. The beneficiaries under the insurance policy include members of your family. Even though the charity may eventually get some benefit out of the insurance policy, you can't deduct any part of the donation.

Qualified Charitable Distributions

A qualified charitable distribution (QCD) is a distribution made directly by the trustee of your individual retirement arrangement (IRA), other than a SEP or SIMPLE IRA, to certain qualified organizations. You must have been at least age 70½ when the distribution was made. Your total QCDs for the year can't be more than $100,000. If all the requirements are met, a QCD is nontaxable, but you can't claim a charitable contribution deduction for a QCD. See Pub. 590-B, Distributions from Individual Retirement Arrangements (IRAs), for more information about QCDs.

Value of Time or Services

You can't deduct the value of your time or services, including:

- Blood donations to the American Red Cross or to blood banks, and
- The value of income lost while you work as an unpaid volunteer for a qualified organization.

Personal Expenses

You can't deduct personal, living, or family expenses, such as the following items.

- The cost of meals you eat while you perform services for a qualified organization, unless it is necessary for you to be away from home overnight while performing the services.
- Adoption expenses, including fees paid to an adoption agency and the costs of keeping a child in your home before adoption is final. However, you may be able to claim a tax credit for these expenses. Also, you may be able to exclude from your gross income amounts paid or reimbursed by your employer for your adoption expenses. See Form 8839, Qualified Adoption Expenses, and its instructions, for more information. You also may be able to claim an exemption for the child. See *Exemptions for Dependents* in Pub. 501 for more information.

Appraisal Fees

You can't deduct as a charitable contribution any fees you pay to find the fair market value of donated property. But you can claim them, subject to the 2%-of-adjusted-gross-income limit, as a miscellaneous itemized deduction on Schedule A (Form 1040). See *Deductions Subject to the 2% Limit* in Pub. 529 for more information.

Contributions to Donor-Advised Funds

You can't deduct a contribution to a donor-advised fund if:

- The qualified organization that sponsors the fund is a war veterans' organization, a fraternal society, or a nonprofit cemetery company; or
- You don't have an acknowledgment from that sponsoring organization that it has exclusive legal control over the assets contributed.

There are also other circumstances in which you can't deduct your contribution to a donor-advised fund.

Generally, a donor-advised fund is a fund or account in which a donor can, because of being a donor, advise the fund how to distribute or invest amounts held in the fund. For details, see Internal Revenue Code section 170(f)(18).

Partial Interest in Property

Generally, you can't deduct a contribution of less than your entire interest in property. For details, see *Partial Interest in Property* under *Contributions of Property*, later.

Contributions of Property

If you contribute property to a qualified organization, the amount of your charitable contribution is generally the fair market value of the property at the time of the contribution. However, if the property has increased in value, you may have to make some adjustments to the amount of your deduction. See *Giving Property That Has Increased in Value*, later.

For information about the records you must keep and the information you must furnish with your return if you donate property, see *Records To Keep* and *How To Report*, later.

Contributions Subject to Special Rules

Special rules apply if you contribute:

- Clothing or household items,
- A car, boat, or airplane,
- Taxidermy property,
- Property subject to a debt,
- A partial interest in property,
- A fractional interest in tangible personal property,
- A qualified conservation contribution,
- A future interest in tangible personal property,
- Inventory from your business, or
- A patent or other intellectual property.

These special rules are described next.

Clothing and Household Items

You can't take a deduction for clothing or household items you donate unless the clothing or household items are in good used condition or better.

Exception. You can take a deduction for a contribution of an item of clothing or a household item that isn't in good used condition or better if you deduct more than $500 for it and include a qualified appraisal of it with your return.

Household items. Household items include:

- Furniture and furnishings,
- Electronics,
- Appliances,
- Linens, and
- Other similar items.

Household items don't include:

- Food,
- Paintings, antiques, and other objects of art,
- Jewelry and gems, and
- Collections.

Fair market value. To determine the fair market value of these items, use the rules under *Determining Fair Market Value*, later.

Cars, Boats, and Airplanes

The following rules apply to any donation of a qualified vehicle.

A qualified vehicle is:

- A car or any motor vehicle manufactured mainly for use on public streets, roads, and highways,
- A boat, or
- An airplane.

Deduction more than $500. If you donate a qualified vehicle with a claimed fair market value of more than $500, you can deduct the smaller of:

- The gross proceeds from the sale of the vehicle by the organization, or
- The vehicle's fair market value on the date of the contribution. If the vehicle's fair market value was more than your cost or other basis, you may have to reduce the fair market value to figure the deductible amount, as described under *Giving Property That Has Increased in Value*, later.

Form 1098-C. You must attach to your return Copy B of the Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes (or other statement containing the same information as Form 1098-C) you received from the organization. The Form 1098-C (or other statement) will show the gross proceeds from the sale of the vehicle.

If you *e-file* your return, you must:

- Attach Copy B of Form 1098-C to Form 8453, U.S. Individual Income Tax Transmittal for an IRS *e-file* Return, and mail the forms to the IRS, or
- Include Copy B of Form 1098-C as a pdf attachment if your software program allows it.

If you don't attach Form 1098-C (or other statement), you can't deduct your contribution.

You must get Form 1098-C (or other statement) within 30 days of the sale of the vehicle. But if exception 1 or 2 (described later) applies, you must get Form 1098-C (or other statement) within 30 days of your donation.

Filing deadline approaching and still no Form 1098-C. If the filing deadline is approaching and you still don't have a Form 1098-C, you have two choices.

1. Request an automatic 6-month extension of time to file your return. You can get this extension by filing Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return. For more information, see the Instructions for Form 4868.
2. File the return on time without claiming the deduction for the qualified vehicle. After receiving the Form 1098-C, file an amended return, Form 1040X, Amended U.S. Individual Income Tax Return, claiming the deduction. Attach Copy B of Form 1098-C (or other statement) to the amended return.

Exceptions. There are two exceptions to the rules just described for deductions of more than $500.

Exception 1—Vehicle used or improved by organization. If the qualified organization makes a significant intervening use of or material improvement to the vehicle before transferring it, you generally can deduct the vehicle's fair market value at the time of the contribution. But if the vehicle's fair market value was more than your cost or other basis, you may have to reduce the fair market value to get the deductible amount, as described under *Giving Property That Has Increased in Value*, later. The Form 1098-C (or other statement) will show whether this exception applies.

Exception 2—Vehicle given or sold to needy individual. If the qualified organization will give the vehicle, or sell it for a price well below fair market value, to a needy individual to further the organization's charitable purpose, you generally can deduct the vehicle's fair market value at the time of the contribution. But if the vehicle's fair market value was more than your cost or other basis, you may have to reduce the fair market value to get the deductible amount, as described under *Giving Property That Has Increased in Value*, later. The Form 1098-C (or other statement) will show whether this exception applies.

This exception doesn't apply if the organization sells the vehicle at auction. In that case, you can't deduct the vehicle's fair market value.

Example. Anita donates a used car to a qualified organization. She bought it 3 years ago for $9,000. A used car guide shows the fair market value for this type of car is $6,000. However, Anita gets a Form 1098-C from the organization showing the car was sold for $2,900. Neither exception 1 nor exception 2 applies. If Anita itemizes her deductions, she can deduct $2,900 for her donation. She must attach Form 1098-C and Form 8283 to her return.

Deduction $500 or less. If the qualified organization sells the vehicle for $500 or less and exceptions 1 and 2 don't apply, you can deduct the smaller of:

- $500, or
- The vehicle's fair market value on the date of the contribution. But if the vehicle's fair market value was more than your cost or other basis, you may have to reduce the fair market value to get the deductible amount, as described under *Giving Property That Has Increased in Value*, later.

If the vehicle's fair market value is at least $250 but not more than $500, you must have a written statement from the qualified organization acknowledging your donation. The statement must contain the information and meet the tests for an acknowledgment described under *Deductions of at Least $250 but Not More Than $500* under *Records To Keep*, later.

Fair market value. To determine a vehicle's fair market value, use the rules described under *Determining Fair Market Value*, later.

Donations of inventory. The vehicle donation rules just described don't apply to donations of inventory. For example, these rules don't apply if you are a car dealer who donates a car you had been holding for sale to customers. See *Inventory*, later.

Taxidermy Property

If you donate taxidermy property to a qualified organization, your deduction is limited to your basis in the property or its fair market value, whichever is less. This applies if you prepared, stuffed, or mounted the property or paid or incurred the cost of preparing, stuffing, or mounting the property.

Your basis for this purpose includes only the cost of preparing, stuffing, and mounting the property. Your basis doesn't include transportation or travel costs. It also doesn't include the direct or indirect costs for hunting or killing an animal, such as equipment costs. In addition, it doesn't include the value of your time.

Taxidermy property means any work of art that:

- Is the reproduction or preservation of an animal, in whole or in part,
- Is prepared, stuffed, or mounted to recreate one or more characteristics of the animal, and
- Contains a part of the body of the dead animal.

Property Subject to a Debt

If you contribute property subject to a debt (such as a mortgage), you must reduce the fair market value of the property by:

1. Any allowable deduction for interest you paid (or will pay) that is attributable to any period after the contribution, and
2. If the property is a bond, the lesser of:
   a. Any allowable deduction for interest you paid (or will pay) to buy or carry the bond that is attributable to any period before the contribution, or
   b. The interest, including bond discount, receivable on the bond that is attributable to any period before the contribution, and that isn't includible in your income due to your accounting method.

This prevents you from deducting the same amount as both investment interest and a charitable contribution.

If the recipient (or another person) assumes the debt, you must also reduce the fair market value of the property by the amount of the outstanding debt assumed.

The amount of the debt is also treated as an amount realized on the sale or exchange of property for purposes of figuring your taxable gain (if any). For more information, see *Bargain Sales* under *Giving Property That Has Increased in Value*, later.

Partial Interest in Property

Generally, you can't deduct a charitable contribution of less than your entire interest in property.

Right to use property. A contribution of the right to use property is a contribution of less than your entire interest in that property and isn't deductible.

Example 1. You own a 10-story office building and donate rent-free use of the top floor to a charitable organization. Because you still own the building, you have contributed a partial interest in the property and can't take a deduction for the contribution.

Example 2. Mandy White owns a vacation home at the beach that she sometimes rents to others. For a fundraising auction at her church, she donated the right to use the vacation home for 1 week. At the auction, the church received and accepted a bid from Lauren Green equal to the fair rental value of the home for 1 week. Mandy can't claim a deduction because of the partial interest rule. Lauren can't claim a deduction either, because she received a benefit equal to the amount of her payment. See *Contributions From Which You Benefit*, earlier.

Exceptions. You can deduct a charitable contribution of a partial interest in property only if that interest represents one of the following items.

- A remainder interest in your personal home or farm. A remainder interest is one

that passes to a beneficiary after the end of an earlier interest in the property.

Example. You keep the right to live in your home during your lifetime and give your church a remainder interest that begins upon your death. You can deduct the value of the remainder interest.

- An undivided part of your entire interest. This must consist of a part of every substantial interest or right you own in the property and must last as long as your interest in the property lasts. But see *Fractional Interest in Tangible Personal Property*, later.

  Example. You contribute voting stock to a qualified organization but keep the right to vote the stock. The right to vote is a substantial right in the stock. You haven't contributed an undivided part of your entire interest and can't deduct your contribution.
- A partial interest that would be deductible if transferred to certain types of trusts.
- A qualified conservation contribution (defined later).

For information about how to figure the value of a contribution of a partial interest in property, see *Partial Interest in Property Not in Trust* in Pub. 561.

Fractional Interest in Tangible Personal Property

You can't deduct a charitable contribution of a fractional interest in tangible personal property unless all interests in the property are held immediately before the contribution by:

- You, or
- You and the qualifying organization receiving the contribution.

If you make an additional contribution later, the fair market value of that contribution will be determined by using the smaller of:

- The fair market value of the property at the time of the initial contribution, or
- The fair market value of the property at the time of the additional contribution.

Tangible personal property is defined later under *Future Interest in Tangible Personal Property*. A fractional interest in property is an undivided portion of your entire interest in the property.

Example. An undivided one-quarter interest in a painting that entitles an art museum to possession of the painting for 3 months of each year is a fractional interest in the property.

Recapture of deduction. You must recapture your charitable contribution deduction by including it in your income if both of the following statements are true.

1. You contributed a fractional interest in tangible personal property after August 17, 2006.
2. You don't contribute the rest of your interests in the property to the original recipient or, if it no longer exists, another qualified organization on or before the earlier of:
   a. The date that is 10 years after the date of the initial contribution, or
   b. The date of your death.

Recapture is also required if the qualified organization hasn't taken substantial physical possession of the property and used it in a way related to the organization's purpose during the period beginning on the date of the initial contribution and ending on the earlier of:

1. The date that is 10 years after the date of the initial contribution, or
2. The date of your death.

Additional tax. If you must recapture your deduction, you must also pay interest and an additional tax equal to 10% of the amount recaptured.

Qualified Conservation Contribution

A qualified conservation contribution is a contribution of a qualified real property interest to a qualified organization to be used only for conservation purposes.

Qualified organization. For purposes of a qualified conservation contribution, a qualified organization is:

- A governmental unit,
- A publicly supported charity, or
- An organization controlled by, and operated for the exclusive benefit of, a governmental unit or a publicly supported charity.

The organization also must have a commitment to protect the conservation purposes of the donation and must have the resources to enforce the restrictions.

A publicly supported charity is an organization of the type described in (1) under *Types of Qualified Organizations*, earlier, that normally receives a substantial part of its support, other than income from its exempt activities, from direct or indirect contributions from the general public or from governmental units.

Qualified real property interest. This is any of the following interests in real property.

1. Your entire interest in real estate other than a mineral interest (subsurface oil, gas, or other minerals, and the right of access to these minerals).
2. A remainder interest.
3. A restriction (granted in perpetuity) on the use that may be made of the real property.

Conservation purposes. Your contribution must be made only for one of the following conservation purposes.

- Preserving land areas for outdoor recreation by, or for the education of, the general public.
- Protecting a relatively natural habitat of fish, wildlife, or plants, or a similar ecosystem.
- Preserving open space, including farmland and forest land, if it yields a significant public benefit. The open space must be preserved either for the scenic enjoyment of the general public or under a clearly defined federal, state, or local governmental conservation policy.
- Preserving a historically important land area or a certified historic structure.

Building in registered historic district. If a building in a registered historic district is a certified historic structure, a contribution of a qualified real property interest that is an easement or other restriction on the exterior of the building is deductible only if it meets all of the following conditions.

1. The restriction must preserve the entire exterior of the building (including its front, sides, rear, and height) and must prohibit any change to the exterior of the building that is inconsistent with its historical character.
2. You and the organization receiving the contribution must enter into a written agreement certifying, under penalty of perjury, that the organization:
   a. Is a qualified organization with a purpose of environmental protection, land conservation, open space preservation, or historic preservation, and
   b. Has the resources to manage and enforce the restriction and a commitment to do so.
3. You must include with your return:
   a. A qualified appraisal,
   b. Photographs of the building's entire exterior, and
   c. A description of all restrictions on development of the building, such as zoning laws and restrictive covenants.

If you claimed the rehabilitation credit for the building for any of the 5 years before the year of the contribution, your charitable deduction is reduced. For more information, see Form 3468, Investment Credit, and Internal Revenue Code section 170(f)(14).

If you claim a deduction of more than $10,000, your deduction won't be allowed unless you pay a $500 filing fee. See Form 8283-V, Payment Voucher for Filing Fee Under Section 170(f)(13), and its instructions. You may be able to deduct the filing fee as a miscellaneous itemized deduction, subject to the 2%-of-adjusted-gross-income limit, on Schedule A (Form 1040). See *Deductions Subject to the 2% Limit* in Pub. 529 for more information.

More information. For information about determining the fair market value of qualified conservation contributions, see Pub. 561. For information about the limits that apply to deductions for this type of contribution, see *Limits on Deductions*, later. For more information about qualified conservation contributions, see Regulations section 1.170A-14.

Future Interest in Tangible Personal Property

You can't deduct the value of a charitable contribution of a future interest in tangible personal property until all intervening interests in and rights to the actual possession or enjoyment of the property have either expired or been turned over to someone other than yourself, a related

person, or a related organization. But see *Fractional Interest in Tangible Personal Property*, earlier, and *Tangible personal property put to unrelated use*, later.

Related persons include your spouse, children, grandchildren, brothers, sisters, and parents. Related organizations may include a partnership or corporation in which you have an interest, or an estate or trust with which you have a connection.

Tangible personal property. This is any property, other than land or buildings, that can be seen or touched. It includes furniture, books, jewelry, paintings, and cars.

Future interest. This is any interest that is to begin at some future time, regardless of whether it is designated as a future interest under state law.

Example. You own an antique car that you contribute to a museum. You give up ownership, but retain the right to keep the car in your garage with your personal collection. Because you keep an interest in the property, you can't deduct the contribution. If you turn the car over to the museum in a later year, giving up all rights to its use, possession, and enjoyment, you can take a deduction for the contribution in that later year.

Inventory

If you contribute inventory (property you sell in the course of your business), the amount you can deduct is the smaller of its fair market value on the day you contributed it or its basis. The basis of contributed inventory is any cost incurred for the inventory in an earlier year that you would otherwise include in your opening inventory for the year of the contribution. You must remove the amount of your charitable contribution deduction from your opening inventory. It isn't part of the cost of goods sold.

If the cost of donated inventory isn't included in your opening inventory, the inventory's basis is zero and you can't claim a charitable contribution deduction. Treat the inventory's cost as you would ordinarily treat it under your method of accounting. For example, include the purchase price of inventory bought and donated in the same year in the cost of goods sold for that year.

A special rule applies to certain donations of food inventory. See *Food Inventory*, later.

Patents and Other Intellectual Property

If you donate intellectual property to a qualified organization, your deduction is limited to the basis of the property or the fair market value of the property, whichever is smaller. Intellectual property means any of the following:

- Patents.
- Copyrights (other than a copyright described in Internal Revenue Code sections 1221(a)(3) or 1231(b)(1)(C)).
- Trademarks.
- Trade names.
- Trade secrets.
- Know-how.
- Software (other than software described in Internal Revenue Code section 197(e)(3)(A)(i)).
- Other similar property or applications or registrations of such property.

Additional deduction based on income. You may be able to claim additional charitable contribution deductions in the year of the contribution and years following, based on the income, if any, from the donated property.

The following table shows the percentage of income from the property that you can deduct for each of your tax years ending on or after the date of the contribution. In the table, "tax year 1," for example, means your first tax year ending on or after the date of the contribution. However, you can take the additional deduction only to the extent the total of the amounts figured using this table is more than the amount of the deduction claimed for the original donation of the property.

After the legal life of the intellectual property ends, or after the 10th anniversary of the donation, whichever is earlier, no additional deduction is allowed.

The additional deductions can't be taken for intellectual property donated to certain private foundations.

Tax year	Deductible percentage
1	100%
2	100%
3	90%
4	80%
5	70%
6	60%
7	50%
8	40%
9	30%
10	20%
11	10%
12	10%

Reporting requirements. You must inform the organization at the time of the donation that you intend to treat the donation as a contribution subject to the provisions just discussed.

The organization is required to file an information return showing the income from the property, with a copy to you. This is done on Form 8899, Notice of Income From Donated Intellectual Property.

Determining Fair Market Value

This section discusses general guidelines for determining the fair market value of various types of donated property. Pub. 561 contains a more complete discussion.

Fair market value is the price at which property would change hands between a willing buyer and a willing seller, neither having to buy or sell, and both having reasonable knowledge of all the relevant facts.

Used clothing. The fair market value of used clothing and other personal items is usually far less than the price you paid for them. There are no fixed formulas or methods for finding the value of items of clothing.

You should claim as the value the price that buyers of used items actually pay in used clothing stores, such as consignment or thrift shops.

Also see *Clothing and Household Items*, earlier.

Example. Kristin donated a coat to a thrift store operated by her church. She paid $300 for the coat 3 years ago. Similar coats in the thrift store sell for $50. The fair market value of the coat is $50. Kristin's donation is limited to $50.

Household items. The fair market value of used household items, such as furniture, appliances, and linens, is usually much lower than the price paid when new. These items may have little or no market value because they are in a worn condition, out of style, or no longer useful. For these reasons, formulas (such as using a percentage of the cost to buy a new replacement item) aren't acceptable in determining value.

You should support your valuation with photographs, canceled checks, receipts from your purchase of the items, or other evidence. Magazine or newspaper articles and photographs that describe the items and statements by the recipients of the items are also useful. Don't include any of this evidence with your tax return.

If the property is valuable because it is old or unique, see the discussion under *Paintings, Antiques, and Other Objects of Art* in Pub. 561.

Also see *Clothing and Household Items*, earlier.

Cars, boats, and airplanes. If you contribute a car, boat, or airplane to a charitable organization, you must determine its fair market value.

Boats. Except for small, inexpensive boats, the valuation of boats should be based on an appraisal by a marine surveyor or appraiser because the physical condition is critical to the value.

Cars. Certain commercial firms and trade organizations publish used car pricing guides, commonly called "blue books," containing complete dealer sale prices or dealer average prices for recent model years. The guides may be published monthly or seasonally, and for different regions of the country. These guides also provide estimates for adjusting for unusual equipment, unusual mileage, and physical condition. The prices aren't "official" and these publications aren't considered an appraisal of any specific donated property. But they do provide clues for making an appraisal and suggest relative prices for comparison with current sales and offerings in your area.

These publications are sometimes available from public libraries, or from the loan officer at a bank, credit union, or finance company. You can also find used car pricing information on the Internet.

To find the fair market value of a donated car, use the price listed in a used car guide for a

private party sale, not the dealer retail value. However, the fair market value may be less if the car has engine trouble, body damage, high mileage, or any type of excessive wear. The fair market value of a donated car is the same as the price listed in a used car guide for a private party sale only if the guide lists a sales price for a car that is the same make, model, and year, sold in the same area, in the same condition, with the same or similar options or accessories, and with the same or similar warranties as the donated car.

Example. You donate a used car in poor condition to a local high school for use by students studying car repair. A used car guide shows the dealer retail value for this type of car in poor condition is $1,600. However, the guide shows the price for a private party sale of the car is only $750. The fair market value of the car is considered to be $750.

Large quantities. If you contribute a large number of the same item, fair market value is the price at which comparable numbers of the item are being sold.

Example. You purchase 500 bibles for $1,000. The person who sells them to you says the retail value of these bibles is $3,000. If you contribute the bibles to a qualified organization, you can claim a deduction only for the price at which similar numbers of the same bible are currently being sold. Your charitable contribution is $1,000, unless you can show that similar numbers of that bible were selling at a different price at the time of the contribution.

Giving Property That Has Decreased in Value

If you contribute property with a fair market value that is less than your basis in it, your deduction is limited to its fair market value. You can't claim a deduction for the difference between the property's basis and its fair market value.

Your basis in property is generally what you paid for it. If you need more information about basis, see Pub. 551. You may want to see Pub. 551 if you contribute property that you:

- Received as a gift or inheritance,
- Used in a trade, business, or activity conducted for profit, or
- Claimed a casualty loss deduction for.

Common examples of property that decrease in value include clothing, furniture, appliances, and cars.

Giving Property That Has Increased in Value

If you contribute property with a fair market value that is more than your basis in it, you may have to reduce the fair market value by the amount of appreciation (increase in value) when you figure your deduction.

Your basis in property is generally what you paid for it. If you need more information about basis, see Pub. 551.

Different rules apply to figuring your deduction, depending on whether the property is:

- Ordinary income property, or
- Capital gain property.

Ordinary Income Property

Property is ordinary income property if you would have recognized ordinary income or short-term capital gain had you sold it at fair market value on the date it was contributed. Examples of ordinary income property are inventory, works of art created by the donor, manuscripts prepared by the donor, and capital assets (defined later, under *Capital Gain Property*) held 1 year or less.

Property used in a trade or business. Property used in a trade or business is considered ordinary income property to the extent of any gain that would have been treated as ordinary income because of depreciation had the property been sold at its fair market value at the time of contribution. See chapter 3 of Pub. 544, Sales and Other Dispositions of Assets, for the kinds of property to which this rule applies.

Amount of deduction. The amount you can deduct for a contribution of ordinary income property is its fair market value minus the amount that would be ordinary income or short-term capital gain if you sold the property for its fair market value. Generally, this rule limits the deduction to your basis in the property.

Example. You donate stock you held for 5 months to your church. The fair market value of the stock on the day you donate it is $1,000, but you paid only $800 (your basis). Because the $200 of appreciation would be short-term capital gain if you sold the stock, your deduction is limited to $800 (fair market value minus the appreciation).

Exception. Don't reduce your charitable contribution if you include the ordinary or capital gain income in your gross income in the same year as the contribution. See *Ordinary or capital gain income included in gross income* under *Capital Gain Property*, later, if you need more information.

Capital Gain Property

Property is capital gain property if you would have recognized long-term capital gain had you sold it at fair market value on the date of the contribution. Capital gain property includes capital assets held more than 1 year.

Capital assets. Capital assets include most items of property you own and use for personal purposes or investment. Examples of capital assets are stocks, bonds, jewelry, coin or stamp collections, and cars or furniture used for personal purposes.

For purposes of figuring your charitable contribution, capital assets also include certain real property and depreciable property used in your trade or business and, generally, held more than 1 year. You may, however, have to treat this property as partly ordinary income property and partly capital gain property. See *Property used in a trade or business* under *Ordinary Income Property,* earlier.

Real property. Real property is land and generally anything built on, growing on, or attached to land.

Depreciable property. Depreciable property is property used in business or held for the production of income and for which a depreciation deduction is allowed.

For more information about what is a capital asset, see chapter 2 of Pub. 544.

Amount of deduction—General rule. When figuring your deduction for a contribution of capital gain property, you generally can use the fair market value of the property.

Exceptions. However, in certain situations, you must reduce the fair market value by any amount that would have been long-term capital gain if you had sold the property for its fair market value. Generally, this means reducing the fair market value to the property's cost or other basis. You must do this if:

1. The property (other than qualified appreciated stock) is contributed to certain private nonoperating foundations,
2. You choose the 50% limit instead of the special 30% limit for capital gain property, discussed later,
3. The contributed property is intellectual property (as defined earlier under *Patents and Other Intellectual Property*),
4. The contributed property is certain taxidermy property as explained earlier, or
5. The contributed property is tangible personal property (defined earlier) that:
   a. Is put to an unrelated use (defined later) by the charity, or
   b. Has a claimed value of more than $5,000 and is sold, traded, or otherwise disposed of by the qualified organization during the year in which you made the contribution, and the qualified organization hasn't made the required certification of exempt use (such as on Form 8282, Donee Information Return, Part IV). See also *Recapture if no exempt use*, later.

Contributions to private nonoperating foundations. The reduced deduction applies to contributions to all private nonoperating foundations other than those qualifying for the 50% limit, discussed later.

However, the reduced deduction doesn't apply to contributions of qualified appreciated stock. Qualified appreciated stock is any stock in a corporation that is capital gain property and for which market quotations are readily available on an established securities market on the day of the contribution. But stock in a corporation doesn't count as qualified appreciated stock to the extent you and your family contributed more than 10% of the value of all the outstanding stock in the corporation.

Tangible personal property put to unrelated use. Tangible personal property is defined earlier under *Future Interest in Tangible Personal Property*.

Unrelated use. The term "unrelated use" means a use unrelated to the exempt purpose or function of the charitable organization. For a governmental unit, it means the use of the contributed property for other than exclusively public purposes.

Example. If a painting contributed to an educational institution is used by that organization for educational purposes by being placed in its library for display and study by art students, the use isn't an unrelated use. But if the painting is sold and the proceeds are used by the organization for educational purposes, the use is an unrelated use.

Deduction limited. Your deduction for a contribution of tangible personal property may be limited. See (5) under *Exceptions*, earlier.

Recapture if no exempt use. You must recapture part of your charitable contribution deduction by including it in your income if all the following statements are true.

1. You donate tangible personal property with a claimed value of more than $5,000, and your deduction is more than your basis in the property.
2. The organization sells, trades, or otherwise disposes of the property after the year it was contributed but within 3 years of the contribution.
3. The organization doesn't provide a written statement (such as on Form 8282, Part IV), signed by an officer of the organization under penalty of perjury, that either:
   a. Certifies its use of the property was substantial and related to the organization's purpose, or
   b. Certifies its intended use of the property became impossible.

If all the preceding statements are true, include in your income:

1. The deduction you claimed for the property, minus
2. Your basis in the property when you made the contribution.

Include this amount in your income for the year the qualified organization disposes of the property. Report the recaptured amount on Form 1040, line 21.

Ordinary or capital gain income included in gross income. You don't reduce your charitable contribution if you include the ordinary or capital gain income in your gross income in the same year as the contribution. This may happen when you transfer installment or discount obligations or when you assign income to a charitable organization. If you contribute an obligation received in a sale of property that is reported under the installment method, see Pub. 537, Installment Sales.

Example. You donate an installment note to a qualified organization. The note has a fair market value of $10,000 and a basis to you of $7,000. As a result of the donation, you have a short-term capital gain of $3,000 ($10,000 – $7,000), which you include in your income for the year. Your charitable contribution is $10,000.

Food Inventory

Special rules apply to certain donations of food inventory to a qualified organization. These rules apply if all the following conditions are met.

1. You made a contribution of apparently wholesome food from your trade or business. Apparently wholesome food is food intended for human consumption that meets all quality and labeling standards imposed by federal, state, and local laws and regulations even though the food may not be readily marketable due to appearance, age, freshness, grade, size, surplus, or other conditions.
2. The food is to be used only for the care of the ill, the needy, or infants.
3. The use of the food is related to the organization's exempt purpose or function.
4. The organization doesn't transfer the food for money, other property, or services.
5. You receive a written statement from the organization stating it will comply with requirements (2), (3), and (4).
6. The organization isn't a private nonoperating foundation.
7. The food satisfies any applicable requirements of the Federal Food, Drug, and Cosmetic Act and regulations on the date of transfer and for the previous 180 days.

If all the conditions just described are met, use the following worksheet to figure your deduction.

Worksheet 1.
Donations of Food Inventory
See separate *Worksheet instructions*.
(Keep for your records)

1.	Enter fair market value of the donated food	_____
2.	Enter basis of the donated food	_____
3.	Subtract line 2 from line 1. If the result is zero or less, stop here. Don't complete the rest of this worksheet. Your charitable contribution deduction for food is the amount on line 1	_____
4.	Enter one-half of line 3	_____
5.	Subtract line 4 from line 1	_____
6.	Multiply line 2 by 2.0	_____
7.	Subtract line 6 from line 5. If the result is less than zero, enter -0-	_____
8.	Add lines 4 and 7	_____
9.	Compare line 3 and line 8. Enter the smaller amount	_____
10.	Subtract line 9 from line 1	_____
11.	Enter 10% of your total net income for the year from all trades or businesses from which food inventory was donated	_____
12.	Compare line 10 and line 11. Enter the smaller amount. This is your charitable contribution deduction for the food	_____

Worksheet instructions. Enter on line 11 of the worksheet 10% of your net income for the year from all sole proprietorships, S corporations, or partnerships (or other entity that isn't a C corporation) from which contributions of food inventory were made. Figure net income before any deduction for a charitable contribution of food inventory.

If you made more than one contribution of food inventory, complete a separate worksheet for each contribution. Complete lines 11 and 12 on only one worksheet. On that worksheet, complete line 11. Then compare line 11 and the total of the line 10 amounts on all worksheets and enter the smaller of those amounts on line 12.

More information. See *Inventory*, earlier, for information about determining the basis of donated inventory and the effect on cost of goods sold. For additional details, see section 170(e)(3) of the Internal Revenue Code.

Bargain Sales

A bargain sale of property is a sale or exchange for less than the property's fair market value. A bargain sale to a qualified organization is partly a charitable contribution and partly a sale or exchange.

Part that is a sale or exchange. The part of the bargain sale that is a sale or exchange may result in a taxable gain. For more information on figuring the amount of any taxable gain, see *Bargain sales to charity* in chapter 1 of Pub. 544.

Part that is a charitable contribution. Figure the amount of your charitable contribution in three steps.

Step 1. Subtract the amount you received for the property from the property's fair market value at the time of sale. This gives you the fair market value of the contributed part.

Step 2. Find the adjusted basis of the contributed part. It equals:

$$\text{Adjusted basis of entire property} \times \frac{\text{Fair market value of contributed part}}{\text{Fair market value of entire property}}$$

Step 3. Determine whether the amount of your charitable contribution is the fair market value of the contributed part (which you found in *Step 1*) or the adjusted basis of the contributed part (which you found in *Step 2*). Generally, if the property sold was capital gain property, your charitable contribution is the fair market value of the contributed part. If it was ordinary income property, your charitable contribution is the adjusted basis of the contributed part. See *Ordinary Income Property* and *Capital Gain Property*, both earlier, for more information.

Example. You sell ordinary income property with a fair market value of $10,000 to a church for $2,000. Your basis is $4,000 and your adjusted gross income is $20,000. You make no other contributions during the year. The fair market value of the contributed part of the property is $8,000 ($10,000 – $2,000). The adjusted basis of the contributed part is $3,200 ($4,000 × ($8,000 ÷ $10,000)). Because the property is ordinary income property, your charitable deduction is limited to the adjusted basis of the contributed part. You can deduct $3,200.

Penalty

You may be liable for a penalty if you overstate the value or adjusted basis of contributed property.

20% penalty. The penalty is 20% of the amount by which you underpaid your tax because of the overstatement, if:

1. The value or adjusted basis claimed on your return is 150% or more of the correct amount, and
2. You underpaid your tax by more than $5,000 because of the overstatement.

40% penalty. The penalty is 40%, rather than 20%, if:

1. The value or adjusted basis claimed on your return is 200% or more of the correct amount, and
2. You underpaid your tax by more than $5,000 because of the overstatement.

When To Deduct

You can deduct your contributions only in the year you actually make them in cash or other property (or in a later carryover year, as explained under *How To Figure Your Deduction When Limits Apply*, later). This applies whether you use the cash or an accrual method of accounting.

Time of making contribution. Usually, you make a contribution at the time of its unconditional delivery.

Checks. A check you mail to a charity is considered delivered on the date you mail it.

Text message. Contributions made by text message are deductible in the year you send the text message if the contribution is charged to your telephone or wireless account.

Credit card. Contributions charged on your bank credit card are deductible in the year you make the charge.

Pay-by-phone account. Contributions made through a pay-by-phone account are considered delivered on the date the financial institution pays the amount. This date should be shown on the statement the financial institution sends you.

Stock certificate. A properly endorsed stock certificate is considered delivered on the date of mailing or other delivery to the charity or to the charity's agent. However, if you give a stock certificate to your agent or to the issuing corporation for transfer to the name of the charity, your contribution isn't delivered until the date the stock is transferred on the books of the corporation.

Promissory note. If you issue and deliver a promissory note to a charity as a contribution, it isn't a contribution until you make the note payments.

Option. If you grant a charity an option to buy real property at a bargain price, it isn't a contribution until the charity exercises the option.

Borrowed funds. If you contribute borrowed funds, you can deduct the contribution in the year you deliver the funds to the charity, regardless of when you repay the loan.

Conditional gift. If your contribution depends on a future act or event to become effective, you can't take a deduction unless there is only a negligible chance the act or event won't take place.

If your contribution would be undone by a later act or event, you can't take a deduction unless there is only a negligible chance the act or event will take place.

Example 1. You contribute cash to a local school board, which is a political subdivision of a state, to help build a school gym. The school board will refund the money to you if it doesn't collect enough to build the gym. You can't deduct your contribution until there is no chance (or only a negligible chance) of a refund.

Example 2. You donate land to a city for as long as the city uses it for a public park. The city plans to use the land for a park, and there is no chance (or only a negligible chance) of the land being used for any different purpose. You can deduct your charitable contribution.

Limits on Deductions

For 2017, the total of your charitable contributions deduction and certain other itemized deductions may be limited if your adjusted gross income is more than:

- $156,900 if married filing separately,
- $261,500 if single,
- $287,650 if head of household, or
- $313,800 if married filing jointly or qualifying widow(er).

This is in addition to the other limits described here. See the Instructions for Schedule A (Form 1040) for more information about this limit.

If your total contributions for the year are 20% or less of your adjusted gross income, you don't need to read the rest of this section. The remaining limits discussed in this section don't apply to you.

The amount you can deduct for charitable contributions generally is limited to 50% of your adjusted gross income. Your deduction may be further limited to 30% or 20% of your adjusted gross income, depending on the type of property you give and the type of organization you give it to. A higher limit applies to certain qualified conservation contributions. These limits are described in detail in this section.

Your adjusted gross income is the amount on Form 1040, line 38.

If your contributions are more than any of the limits that apply, see *Carryovers* under *How To Figure Your Deduction When Limits Apply*, later.

Out-of-pocket expenses. Amounts you spend performing services for a charitable organization may be deductible as a contribution to a qualified organization. If so, your deduction is subject to the limit applicable to donations to that organization. For example, the 50% limit applies to amounts you spend on behalf of a church, a 50% limit organization.

The 50% limit is suspended for certain disaster related contributions. See Temporary Suspension of 50% Limit for Disaster Area Contributions, later.

50% Limit

The 50% limit applies to the total of all charitable contributions you make during the year. This means that your deduction for charitable contributions can't be more than 50% of your adjusted gross income for the year. But there is a higher limit, discussed later, for certain qualified conservation contributions.

Only limit for 50% organizations. The 50% limit is the only percentage limit that applies to contributions to organizations listed under *50% Limit Organizations*. But there is one exception.

Exception. A special 30% limit applies to contributions of capital gain property if you figure your deduction using fair market value without reduction for appreciation. (See *Special 30% Limit for Capital Gain Property*, later.)

50% Limit Organizations

You can ask any organization whether it is a 50% limit organization, and most will be able to tell you. Also see *How to check whether an organization can receive deductible charitable contributions*, earlier.

Only the following types of organizations are 50% limit organizations.

1. Churches and conventions or associations of churches.
2. Educational organizations with a regular faculty and curriculum that normally have a regularly enrolled student body attending classes on site.
3. Hospitals and certain medical research organizations associated with these hospitals.
4. Organizations that are operated only to receive, hold, invest, and administer property and to make expenditures to or for the benefit of state and municipal colleges and universities and that normally receive substantial support from the United States or any state or their political subdivisions, or from the general public.
5. The United States or any state, the District of Columbia, a U.S. possession (including Puerto Rico), a political subdivision of a state or U.S. possession, or an Indian tribal government or any of its subdivisions that perform substantial government functions.
6. Publicly supported charities, defined earlier under *Qualified Conservation Contribution*.
7. Organizations that may not qualify as "publicly supported" but that meet other tests showing they respond to the needs of the general public, not a limited number of donors or other persons. They must normally receive more than one-third of their support either from organizations described in (1) through (6), or from persons other than "disqualified persons."
8. Most organizations operated or controlled by, and operated for the benefit of, those organizations described in (1) through (7).
9. Private operating foundations.
10. Private nonoperating foundations that make qualifying distributions of 100% of contributions within 2½ months following the year they receive the contribution. A deduction for charitable contributions to any of these private nonoperating foundations must be supported by evidence from the foundation confirming it made the qualifying distributions timely. Attach a copy of this supporting data to your tax return.
11. A private foundation whose contributions are pooled into a common fund, if the foundation would be described in (8) but for the right of substantial contributors to name the public charities that receive contributions from the fund. The foundation must distribute the common fund's income within 2½ months following the tax year in which it was realized and must distribute the corpus not later than 1 year after the donor's death (or after the death of the donor's surviving spouse if the spouse can name the recipients of the corpus).

Temporary Suspension of 50% Limit for Disaster Area Contributions

Generally, the amount you can deduct for charitable contributions can't be more than 50% of your adjusted gross income (AGI). However, qualified contributions aren't subject to the overall limit on itemized deductions or the 50% AGI limit. A qualified contribution must meet the following criteria.

- It is a charitable contribution paid in cash or check after August 22, 2017, and before January 1, 2018.
- It is paid to a 50% limit organization (other than certain private foundations described in section 509(a)(3)).
- It is payable for relief efforts in the Hurricane Harvey disaster area, the Hurricane Irma disaster area, the Hurricane Maria disaster area, or the California wildfire disaster area.
- The taxpayer obtains contemporaneous written acknowledgment (within the meaning of section 170(f)(8)) from the organization that such contribution was used for relief efforts.
- The taxpayer elected to have this section apply to such contribution.

Exception. Qualified contributions don't include a contribution to a segregated fund or account for which you (or any person you appoint or designate) have or expect to have advisory privileges with respect to distributions or investments based on your contribution.

Your deduction for qualified contributions is limited to your AGI minus your deduction for all other charitable contributions. You can carry over any contributions you aren't able to deduct for 2017 because of this limit. In 2018, treat the carryover of your unused qualified contributions as a carryover of contributions subject to the 50% limit.

More information. For more information see, Pub. 976, Disaster Relief.

30% Limit

A 30% limit applies to the following contributions.

- Contributions to all qualified organizations other than 50% limit organizations. This includes contributions to veterans' organizations, fraternal societies, nonprofit cemeteries, and certain private nonoperating foundations.
- Contributions for the use of any qualified organization.

However, if these contributions are of capital gain property, they are subject to the 20% limit, described later, rather than the 30% limit.

Student living with you. Deductible amounts you spend on behalf of a student living with you are subject to the 30% limit. These amounts are considered a contribution for the use of a qualified organization. See *Expenses Paid for Student Living With You*, earlier.

Special 30% Limit for Capital Gain Property

A special 30% limit applies to contributions of capital gain property to 50% limit organizations. (For contributions of capital gain property to other organizations, see *20% Limit*, later.) However, the special 30% limit doesn't apply when you choose to reduce the fair market value of the property by the amount that would have been long-term capital gain if you had sold the property. Instead, only the 50% limit applies. See *Capital Gain Property*, earlier, and *Capital gain property election* under *How To Figure Your Deduction When Limits Apply*, later.

Also, the special 30% limit doesn't apply to qualified conservation contributions, discussed later.

Two separate 30% limits. This special 30% limit for capital gain property is separate from the other 30% limit. Therefore, the deduction of a contribution subject to one 30% limit doesn't reduce the amount you can deduct for contributions subject to the other 30% limit. However, the total you deduct can't be more than 50% of your adjusted gross income.

Example. Your adjusted gross income is $50,000. During the year, you gave capital gain property with a fair market value of $15,000 to a 50% limit organization. You don't choose to reduce the property's fair market value by its appreciation in value. You also gave $10,000 cash to a qualified organization that isn't a 50% limit organization. The $15,000 contribution of property is subject to the special 30% limit. The $10,000 cash contribution is subject to the other 30% limit. Both contributions are fully deductible because neither is more than the 30% limit that applies ($15,000 in each case) and together they aren't more than the 50% limit ($25,000).

20% Limit

The 20% limit applies to all contributions of capital gain property to or for the use of qualified organizations (other than contributions of capital gain property to 50% limit organizations).

Special 50% Limit for Qualified Conservation Contributions

Your deduction for qualified conservation contributions (QCCs) is limited to 50% of your adjusted gross income minus your deduction for all other charitable contributions. You can carry over any contributions you aren't able to deduct for 2017 because of this limit. See *Carryovers*, later.

100% limit for QCCs of farmers and ranchers. If you are a qualified farmer or rancher, your deduction for QCCs is limited to 100%, rather than 50%, of your adjusted gross income minus your deduction for all other charitable

contributions. However, if the donated property is used in agriculture or livestock production (or is available for such production), the contribution must be subject to a restriction that the property remain available for such production. If not, the limit is 50%.

Qualified farmer or rancher. You are a qualified farmer or rancher if your gross income from the trade or business of farming is more than 50% of your gross income for the year.

How To Figure Your Deduction When Limits Apply

If your contributions are subject to more than one of the limits just discussed, deduct them as follows.

1. Contributions subject only to the 50% limit, up to 50% of your adjusted gross income.
2. Contributions subject to the 30% limit, up to the lesser of:
   a. 30% of adjusted gross income, or
   b. 50% of adjusted gross income minus your contributions to 50% limit organizations, including contributions of capital gain property subject to the special 30% limit.
3. Contributions of capital gain property subject to the special 30% limit, up to the lesser of:
   a. 30% of adjusted gross income, or
   b. 50% of adjusted gross income minus your other contributions to 50% limit organizations.
4. Contributions subject to the 20% limit, up to the lesser of:
   a. 20% of adjusted gross income,
   b. 30% of adjusted gross income minus your contributions subject to the 30% limit,
   c. 30% of adjusted gross income minus your contributions of capital gain property subject to the special 30% limit, or
   d. 50% of adjusted gross income minus the total of your contributions to 50% limit organizations and your contributions subject to the 30% limit.
5. Qualified conservation contributions (QCCs) subject to the special 50% limit, up to 50% of adjusted gross income minus any contributions in (1) through (4).
6. QCCs subject to the 100% limit for farmers and ranchers, up to 100% of adjusted gross income minus any contributions in (1) through (5).
7. Qualified contributions (as defined under *Temporary Suspension of 50% Limit for Disaster Area Contributions*, earlier) up to 100% of your adjusted gross income minus all your other contributions.

You also may want to use Worksheet 2 to figure your deduction and your carryover.

Example. Your adjusted gross income is $50,000. In March, you gave your church $2,000 cash and land with a fair market value of $28,000 and a basis of $22,000. You held the land for investment purposes for more than 1 year. You don't make the capital gain property election for this year. See *Capital gain property election*, later. Therefore, the amount of your charitable contribution for the land would be its fair market value of $28,000. You also gave $5,000 cash to a private foundation to which the 30% limit applies.

The $2,000 cash donated to the church is considered first and is fully deductible. Your contribution to the private foundation is considered next. Because your contributions to 50% limit organizations ($2,000 + $28,000) are more than $25,000 (50% of $50,000), your contribution to the private foundation isn't deductible for the year. It can be carried over to later years. See *Carryovers*, later. The contribution of land is considered next. Your deduction for the land is limited to $15,000 (30% × $50,000). The unused part of the contribution ($13,000) can be carried over. For this year, your deduction is limited to $17,000 ($2,000 + $15,000).

Capital gain property election. You may choose the 50% limit for contributions of capital gain property to 50% limit organizations instead of the 30% limit that would otherwise apply. If you make this choice, you must reduce the fair market value of the property contributed by the appreciation in value that would have been long-term capital gain if the property had been sold.

This choice applies to all capital gain property contributed to 50% limit organizations during a tax year. It also applies to carryovers of this kind of contribution from an earlier tax year. For details, see *Carryover of capital gain property*, later.

You must make the choice on your original return or on an amended return filed by the due date for filing the original return.

Example. In the previous example, if you choose to have the 50% limit apply to the land (the 30% capital gain property) given to your church, you must reduce the fair market value of the property by the appreciation in value. Therefore, the amount of your charitable contribution for the land would be its basis to you of $22,000. You add this amount to the $2,000 cash contributed to the church. You can now deduct $1,000 of the amount donated to the private foundation because your contributions to 50% limit organizations ($2,000 + $22,000) are $1,000 less than the 50%-of-adjusted-gross-income limit. Your total deduction for the year is $25,000 ($2,000 cash to your church, $22,000 for property donated to your church, and $1,000 cash to the private foundation). You can carry over to later years the part of your contribution to the private foundation that you couldn't deduct ($4,000).

Instructions for Worksheet 2

You can use Worksheet 2 if you made charitable contributions during the year, and one or more of the limits described in this publication under *Limits on Deductions* apply to you. You can't use this worksheet if you have a carryover of a charitable contribution from an earlier year. If you have a carryover from an earlier year, see *Carryovers* next.

The following list gives instructions for completing the worksheet.

- The terms used in the worksheet are explained earlier in this publication.
- If the result on any line is less than zero, enter zero.
- For contributions of property, enter the property's fair market value unless you elected (or were required) to reduce the fair market value as explained under *Giving Property That Has Increased in Value*. In that case, enter the reduced amount.

Worksheet 2. **Applying the Deduction Limits**

Keep for your records

If the result on any line is less than zero, enter zero. For other instructions, see Instructions for Worksheet 2.
Caution: Don't use this worksheet if you have a carryover of a charitable contribution from an earlier year.

Step 1. Enter any qualified conservation contributions (QCCs).

1.	If you are a qualified farmer or rancher, enter any QCCs eligible for the 100% limit	1	
2.	Enter any QCCs not entered on line 1. Don't include this amount on line 4, 5, 6, 7, or 9	2	

Step 2. List your other charitable contributions made during the year.

3.	Enter contributions payable for Hurricane Harvey or Tropical Storm Harvey, Hurricane Irma, Hurricane Maria, or California wildfires that you elect to treat as qualified contributions. **Don't** include this amount on line 4 below	3	
4.	Enter your contributions to 50% limit organizations. (Include contributions of capital gain property if you reduced the property's fair market value. Don't include contributions of capital gain property deducted at fair market value.) Don't include any contributions you entered on line 1, 2, or 3	4	
5.	Enter your contributions to 50% limit organizations of capital gain property deducted at fair market value	5	
6.	Enter your contributions (other than of capital gain property) to qualified organizations that aren't 50% limit organizations	6	
7.	Enter your contributions "for the use of" any qualified organization. (But don't enter here any amount that must be entered on line 9.)	7	
8.	Add lines 6 and 7	8	
9.	Enter your contributions of capital gain property to or for the use of any qualified organization. (But don't enter here any amount entered on line 4 or 5.)	9	

Step 3. Figure your deduction for the year and your carryover to the next year.

10.	Enter your adjusted gross income	10	
11.	Multiply line 10 by 0.5. This is your 50% limit	11	

					Carryover
	Contributions to 50% limit organizations				
12.	Enter the smaller of line 4 or line 11	12			
13.	Subtract line 12 from line 4	13			
14.	Subtract line 12 from line 11	14			
	Contributions not to 50% limit organizations				
15.	Add lines 4 and 5	15			
16.	Multiply line 10 by 0.3. This is your 30% limit	16			
17.	Subtract line 15 from line 11	17			
18.	Enter the smallest of line 8, 16, or 17	18			
19.	Subtract line 18 from line 8	19			
20.	Subtract line 18 from line 16	20			
	Contributions of capital gain property to 50% limit organizations				
21.	Enter the smallest of line 5, 14, or 16	21			
22.	Subtract line 21 from line 5	22			
23.	Subtract line 18 from line 17	23			
24.	Subtract line 21 from line 16	24			
	Other contributions				
25.	Multiply line 10 by 0.2. This is your 20% limit	25			
26.	Enter the smallest of line 9, 20, 23, 24, or 25	26			
27.	Subtract line 26 from line 9	27			
28.	Add lines 12, 18, 21, and 26	28			
29.	Subtract line 28 from line 11	29			
30.	Enter the smaller of line 2 or line 29	30			
31.	Subtract line 30 from line 2	31			
32.	Add lines 28 and 30	32			
33.	Subtract line 32 from line 10	33			
34.	Enter the smaller of line 1 or line 33	34			
35.	Add lines 32 and 34	35			
36.	Subtract line 34 from line 1	36			
37.	Subtract line 35 from line 10	37			
38.	Enter the smaller of line 3 or line 37		38		
39.	Add lines 35 and 38. Enter the total here and on Schedule A (Form 1040), line 16 or line 17, whichever is appropriate. Enter the amount of any qualified contributions on the dotted line next to the line 16 entry space		39		
40.	Subtract line 39 from line 3		40		
41.	Add lines 13, 19, 22, 27, 31, 36, and 40. Carry this amount forward to Schedule A (Form 1040) next year		41		

Carryovers

You can carry over any contributions you can't deduct in the current year because they exceed your adjusted-gross-income limits. Except for qualified conservation contributions, you may be able to deduct the excess in each of the next 5 years until it is used up, but not beyond that time. Your total charitable deduction for the year to which you carry your contributions generally is limited to 50% of your adjusted gross income for that year.

A carryover of a qualified conservation contribution can be carried forward for 15 years.

Contributions you carry over are subject to the same percentage limits in the year to which they are carried. For example, contributions subject to the 20% limit in the year in which they are made are 20% limit contributions in the year to which they are carried. But see *Carryover of capital gain property*, later.

For each category of contributions, you deduct carryover contributions only after deducting all allowable contributions in that category for the current year. If you have carryovers from 2 or more prior years, use the carryover from the earlier year first.

Note. A carryover of a contribution to a 50% limit organization must be used before contributions in the current year to organizations other than 50% limit organizations. See *Example 2*.

Example 1. Last year, you made cash contributions of $11,000 to which the 50% limit applies, but because of the limit you deducted only $10,000 and carried over $1,000 to this year. This year, your adjusted gross income is $20,000 and you made cash contributions of $9,500 to which the 50% limit applies. You can deduct $10,000 (50% of $20,000) this year. Consequently, in addition to your contribution of $9,500 for this year, you can deduct $500 of your carryover contribution from last year. You can carry over the $500 balance of your carryover from last year to next year.

Example 2. This year, your adjusted gross income is $24,000. You make cash contributions of $6,000 to which the 50% limit applies and $3,000 to which the 30% limit applies. You have a contribution carryover from last year of $5,000 for capital gain property contributed to a 50% limit organization and subject to the special 30% limit for contributions of capital gain property.

Your contribution deduction for this year is limited to $12,000 (50% of $24,000). Your 50% limit cash contributions of $6,000 are fully deductible.

The deduction for your 30% limit contributions of $3,000 is limited to $1,000. This is the lesser of:

1. $7,200 (30% of $24,000), or
2. $1,000 ($12,000 minus $11,000).

(The $12,000 amount is 50% of $24,000, your adjusted gross income. The $11,000 amount is the sum of your current and carryover contributions to 50% limit organizations, $6,000 + $5,000.)

The deduction for your $5,000 carryover is subject to the special 30% limit for contributions of capital gain property. This means it is limited to the smaller of:

1. $7,200 (your 30% limit), or
2. $6,000 ($12,000, your 50% limit, minus $6,000, the amount of your cash contributions to 50% limit organizations this year).

Because your $5,000 carryover is less than both $7,200 and $6,000, you can deduct it in full.

Your deduction is $12,000 ($6,000 + $1,000 + $5,000). You carry over the $2,000 balance of your 30% limit contributions for this year to next year.

Carryover of capital gain property. If you carry over contributions of capital gain property subject to the special 30% limit and you choose in the next year to use the 50% limit and take appreciation into account, you must refigure the carryover. Reduce the fair market value of the property by the appreciation and reduce that result by the amount actually deducted in the previous year.

Example. Last year, your adjusted gross income was $50,000 and you contributed capital gain property valued at $27,000 to a 50% limit organization and didn't choose to use the 50% limit. Your basis in the property was $20,000. Your deduction was limited to $15,000 (30% of $50,000), and you carried over $12,000. This year, your adjusted gross income is $60,000 and you contribute capital gain property valued at $25,000 to a 50% limit organization. Your basis in the property is $24,000 and you choose to use the 50% limit. You must refigure your carryover as if you had taken appreciation into account last year as well as this year. Because the amount of your contribution last year would have been $20,000 (the property's basis) instead of the $15,000 you actually deducted, your refigured carryover is $5,000 ($20,000 – $15,000). Your total deduction this year is $29,000 (your $24,000 current contribution plus your $5,000 carryover).

Additional rules for carryovers. Special rules exist for computing carryovers if you:

- Are married in some years but not others,
- Have different spouses in different years,
- Change from a separate return to a joint return in a later year,
- Change from a joint return to a separate return in a later year,
- Have a net operating loss,
- Claim the standard deduction in a carryover year, or
- Become a widow or widower.

Because of their complexity and the limited number of taxpayers to whom these additional rules apply, they aren't discussed in this publication. If you need to figure a carryover and you are in one of these situations, you may want to consult with a tax practitioner.

Records To Keep

You must keep records to prove the amount of the contributions you make during the year. The kind of records you must keep depends on the amount of your contributions and whether they are:

- Cash contributions,
- Noncash contributions, or
- Out-of-pocket expenses when donating your services.

Note. An organization generally must give you a written statement if it receives a payment from you that is more than $75 and is partly a contribution and partly for goods or services. (See *Contributions From Which You Benefit* under *Contributions You Can Deduct*, earlier.) Keep the statement for your records. It may satisfy all or part of the recordkeeping requirements explained in the following discussions.

Cash Contributions

Cash contributions include those paid by cash, check, electronic funds transfer, debit card, credit card, or payroll deduction.

You can't deduct a cash contribution, regardless of the amount, unless you keep one of the following.

1. A bank record that shows the name of the qualified organization, the date of the contribution, and the amount of the contribution. Bank records may include:
   a. A canceled check,
   b. A bank or credit union statement, or
   c. A credit card statement.
2. A receipt (or a letter or other written communication) from the qualified organization showing the name of the organization, the date of the contribution, and the amount of the contribution.
3. The payroll deduction records described next.

Payroll deductions. If you make a contribution by payroll deduction, you must keep:

1. A pay stub, Form W-2, or other document furnished by your employer that shows the date and amount of the contribution, and
2. A pledge card or other document prepared by or for the qualified organization that shows the name of the organization.

If your employer withheld $250 or more from a single paycheck, see *Contributions of $250 or More* next.

Contributions of $250 or More

You can claim a deduction for a contribution of $250 or more only if you have an acknowledgment of your contribution from the qualified organization or certain payroll deduction records.

If you made more than one contribution of $250 or more, you must have either a separate acknowledgment for each or one acknowledgment that lists each contribution and the date of each contribution and shows your total contributions.

Amount of contribution. In figuring whether your contribution is $250 or more, don't combine separate contributions. For example, if you gave your church $25 each week, your weekly payments don't have to be combined. Each payment is a separate contribution.

If contributions are made by payroll deduction, the deduction from each paycheck is treated as a separate contribution.

If you made a payment that is partly for goods and services, as described earlier under *Contributions From Which You Benefit*, your contribution is the amount of the payment that is more than the value of the goods and services.

Acknowledgment. The acknowledgment must meet these tests.

1. It must be written.
2. It must include:
   a. The amount of cash you contributed,
   b. Whether the qualified organization gave you any goods or services as a result of your contribution (other than certain token items and membership benefits),
   c. A description and good faith estimate of the value of any goods or services described in (b) (other than intangible religious benefits), and
   d. A statement that the only benefit you received was an intangible religious benefit, if that was the case. The acknowledgment doesn't need to describe or estimate the value of an intangible religious benefit. An intangible religious benefit is a benefit that generally isn't sold in commercial transactions outside a donative (gift) context. An example is admission to a religious ceremony.
3. You must get it on or before the earlier of:
   a. The date you file your return for the year you make the contribution, or
   b. The due date, including extensions, for filing the return.

If the acknowledgment doesn't show the date of the contribution, you must also have a bank record or receipt, as described earlier, that does show the date of the contribution. If the acknowledgment shows the date of the contribution and meets the other tests just described, you don't need any other records.

Payroll deductions. If you make a contribution by payroll deduction and your employer withholds $250 or more from a single paycheck, you must keep:

1. A pay stub, Form W-2, or other document furnished by your employer that shows the amount withheld as a contribution, and
2. A pledge card or other document prepared by or for the qualified organization that shows the name of the organization and states the organization doesn't provide goods or services in return for any contribution made to it by payroll deduction.

A single pledge card may be kept for all contributions made by payroll deduction regardless of amount as long as it contains all the required information.

If the pay stub, Form W-2, pledge card, or other document doesn't show the date of the contribution, you must have another document that does show the date of the contribution. If the pay stub, Form W-2, pledge card, or other document shows the date of the contribution, you don't need any other records except those just described in (1) and (2).

Noncash Contributions

For a contribution not made in cash, the records you must keep depend on whether your deduction for the contribution is:

1. Less than $250,
2. At least $250 but not more than $500,
3. Over $500 but not more than $5,000, or
4. Over $5,000.

Amount of deduction. In figuring whether your deduction is $500 or more, combine your claimed deductions for all similar items of property donated to any charitable organization during the year.

If you received goods or services in return, as described earlier in *Contributions From Which You Benefit*, reduce your contribution by the value of those goods or services. If you figure your deduction by reducing the fair market value of the donated property by its appreciation, as described earlier in *Giving Property That Has Increased in Value*, your contribution is the reduced amount.

Deductions of Less Than $250

If you make any noncash contribution, you must get and keep a receipt from the charitable organization showing:

1. The name of the charitable organization,
2. The date and location of the charitable contribution, and
3. A reasonably detailed description of the property.

A letter or other written communication from the charitable organization acknowledging receipt of the contribution and containing the information in (1), (2), and (3) will serve as a receipt.

You aren't required to have a receipt where it is impractical to get one (for example, if you leave property at a charity's unattended drop site).

Additional records. You must also keep reliable written records for each item of contributed property. Your written records must include the following information.

1. The name and address of the organization to which you contributed.
2. The date and location of the contribution.
3. A description of the property in detail reasonable under the circumstances. For a security, keep the name of the issuer, the type of security, and whether it is regularly traded on a stock exchange or in an over-the-counter market.
4. The fair market value of the property at the time of the contribution and how you figured the fair market value. If it was determined by appraisal, you should also keep a copy of the signed appraisal.
5. The cost or other basis of the property, if you must reduce its fair market value by appreciation. Your records should also include the amount of the reduction and how you figured it. If you choose the 50% limit instead of the special 30% limit on certain capital gain property (discussed under *Capital gain property election*, earlier), you must keep a record showing the years for which you made the choice, contributions for the current year to which the choice applies, and carryovers from preceding years to which the choice applies.
6. The amount you claim as a deduction for the tax year as a result of the contribution, if you contribute less than your entire interest in the property during the tax year. Your records must include the amount you claimed as a deduction in any earlier years for contributions of other interests in this property. They must also include the name and address of each organization to which you contributed the other interests, the place where any such tangible property is located or kept, and the name of any person in possession of the property, other than the organization to which you contributed it.
7. The terms of any conditions attached to the contribution of property.

Deductions of at Least $250 but Not More Than $500

If you claim a deduction of at least $250 but not more than $500 for a noncash charitable contribution, you must get and keep an acknowledgment of your contribution from the qualified organization. If you made more than one contribution of $250 or more, you must have either a separate acknowledgment for each or one acknowledgment that shows your total contributions.

The acknowledgment must contain the information in items (1) through (3) under *Deductions of Less Than $250*, earlier, and your written records must include the information listed in that discussion under *Additional records*.

The acknowledgment must also meet these tests.

1. It must be written.
2. It must include:
   a. A description (but not necessarily the value) of any property you contributed,
   b. Whether the qualified organization gave you any goods or services as a result of your contribution (other than certain token items and membership benefits), and

c. A description and good faith estimate of the value of any goods or services described in (b). If the only benefit you received was an intangible religious benefit (such as admission to a religious ceremony) that generally isn't sold in a commercial transaction outside the donative context, the acknowledgment must say so and doesn't need to describe or estimate the value of the benefit.

3. You must get it on or before the earlier of:

   a. The date you file your return for the year you make the contribution, or

   b. The due date, including extensions, for filing the return.

Deductions Over $500 but Not Over $5,000

If you claim a deduction over $500 but not over $5,000 for a noncash charitable contribution, you must have the acknowledgment and written records described under *Deductions of at Least $250 but Not More Than $500*. Your records must also include:

- How you got the property, for example, by purchase, gift, bequest, inheritance, or exchange,
- The approximate date you got the property or, if created, produced, or manufactured by or for you, the approximate date the property was substantially completed, and
- The cost or other basis, and any adjustments to the basis, of property held less than 12 months and, if available, the cost or other basis of property held 12 months or more. This requirement, however, doesn't apply to publicly traded securities.

If you have reasonable cause for being unable to provide information about the date you got the property or the cost basis of the property, attach a statement of explanation to your return.

Deductions Over $5,000

If you claim a deduction of over $5,000 for a noncash charitable contribution of one item or a group of similar items, you must have the acknowledgment and the written records described under *Deductions Over $500 but Not Over $5,000*. Generally, you must also obtain a qualified written appraisal of the donated property from a qualified appraiser. See *Deductions of More Than $5,000* in Pub. 561 for more information.

In figuring whether your deduction is over $5,000, combine your claimed deductions for all similar items donated to any charitable organization during the year.

Qualified Conservation Contribution

If the contribution was a qualified conservation contribution, your records must also include the fair market value of the underlying property before and after the contribution and the conservation purpose furthered by the contribution.

For more information, see *Qualified Conservation Contribution*, earlier, and in Pub. 561.

Out-of-Pocket Expenses

If you give services to a qualified organization and have unreimbursed out-of-pocket expenses related to those services, the following two rules apply.

1. You must have adequate records to prove the amount of the expenses.
2. If any of your unreimbursed out-of-pocket expenses, considered separately, are $250 or more (for example, you pay $250 for an airline ticket to attend a convention of a qualified organization as a chosen representative), you must get an acknowledgment from the qualified organization that contains:

   a. A description of the services you provided,

   b. A statement of whether or not the organization provided you any goods or services to reimburse you for the expenses you incurred,

   c. A description and a good faith estimate of the value of any goods or services (other than intangible religious benefits) provided to reimburse you, and

   d. A statement that the only benefit you received was an intangible religious benefit, if that was the case. The acknowledgment doesn't need to describe or estimate the value of an intangible religious benefit (defined earlier under *Acknowledgment*).

You must get the acknowledgment on or before the earlier of:

1. The date you file your return for the year you make the contribution, or
2. The due date, including extensions, for filing the return.

Car expenses. If you claim expenses directly related to use of your car in giving services to a qualified organization, you must keep reliable written records of your expenses. Whether your records are considered reliable depends on all the facts and circumstances. Generally, they may be considered reliable if you made them regularly and at or near the time you had the expenses.

For example, your records might show the name of the organization you were serving and the dates you used your car for a charitable purpose. If you use the standard mileage rate of 14 cents a mile, your records must show the miles you drove your car for the charitable purpose. If you deduct your actual expenses, your records must show the costs of operating the car that are directly related to a charitable purpose.

See *Car expenses* under *Out-of-Pocket Expenses in Giving Services*, earlier, for the expenses you can deduct.

How To Report

Report your charitable contributions on lines 16 through 19 of Schedule A (Form 1040).

If you made noncash contributions, you may also be required to fill out parts of Form 8283. See *Noncash contributions*, later.

Cash contributions and out-of-pocket expenses. Enter your cash contributions, including out-of-pocket expenses, on Schedule A (Form 1040), line 16.

Reporting expenses for student living with you. If you claim amounts paid for a student who lives with you, as described earlier under *Expenses Paid for Student Living With You*, you must submit with your return:

1. A copy of your agreement with the organization sponsoring the student placed in your household,
2. A summary of the various items you paid to maintain the student, and
3. A statement that gives:

   a. The date the student became a member of your household,

   b. The dates of his or her full-time attendance at school, and

   c. The name and location of the school.

Noncash contributions. Enter your noncash contributions on Schedule A (Form 1040), line 17.

Total deduction over $500. If your total deduction for all noncash contributions for the year is over $500, you must complete Form 8283 and attach it to your Form 1040. Use Section A of Form 8283 to report noncash contributions for which you claimed a deduction of $5,000 or less per item (or group of similar items). Also use Section A to report contributions of publicly traded securities. See *Deduction over $5,000 for one item* next, for the items you must report on Section B.

The IRS may disallow your deduction for noncash charitable contributions if it is more than $500 and you don't submit Form 8283 with your return.

Deduction over $5,000 for one item. You must complete Section B of Form 8283 for each item or group of similar items for which you claim a deduction of over $5,000. (However, if you contributed publicly traded securities, complete Section A instead.) In figuring whether your deduction for a group of similar items was more than $5,000, consider all items in the group, even if items in the group were donated to more than one organization. However, you must file a separate Form 8283, Section B, for each organization. The organization that received the property must complete and sign Part IV of Section B.

Vehicle donations. If you donated a car, boat, airplane, or other vehicle, you may have to

attach a copy of Form 1098-C (or other statement) to your return. For details, see *Cars, Boats, and Airplanes*, earlier.

Clothing and household items not in good used condition. You must include with your return a qualified appraisal of any single donated item of clothing or any donated household item that isn't in good used condition or better and for which you deduct more than $500. See *Clothing and Household Items*, earlier.

Easement on building in historic district. If you claim a deduction for a qualified conservation contribution for an easement on the exterior of a building in a registered historic district, you must include a qualified appraisal, photographs, and certain other information with your return. See *Qualified Conservation Contribution*, earlier.

Deduction over $500,000. If you claim a deduction of more than $500,000 for a contribution of property, you must attach a qualified appraisal of the property to your return. This doesn't apply to contributions of cash, inventory, publicly traded stock, or intellectual property.

In figuring whether your deduction is over $500,000, combine the claimed deductions for all similar items donated to any charitable organization during the year.

If you don't attach the appraisal, you can't deduct your contribution, unless your failure to attach it is due to reasonable cause and not to willful neglect.

Form 8282. An organization must file Form 8282 if, within 3 years of receiving property for which it was required to sign a Form 8283, it sells, exchanges, consumes, or otherwise disposes of the property. The organization must also send you a copy of the form. However, the organization need not file Form 8282 to report the sale of an item if you signed a statement on Section B of Form 8283 stating that the appraised value of the item, or a specific item within a group of similar items, was $500 or less. For this purpose, all shares of nonpublicly traded stock or securities, or items that form a set (such as a collection of books written by the same author or a group of place settings), are considered to be one item.

How To Get Tax Help

If you have questions about a tax issue, need help preparing your tax return, or want to download free publications, forms, or instructions, go to IRS.gov and find resources that can help you right away.

Preparing and filing your tax return. Find free options to prepare and file your return on IRS.gov or in your local community if you qualify.

The Volunteer Income Tax Assistance (VITA) program offers free tax help to people who generally make $54,000 or less, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors.

You can go to IRS.gov to see your options for preparing and filing your return which include the following.

- **Free File.** Go to *IRS.gov/FreeFile*. See if you qualify to use brand-name software to prepare and *e-file* your federal tax return for free.
- **VITA.** Go to *IRS.gov/VITA*, download the free IRS2Go app, or call 1-800-906-9887 to find the nearest VITA location for free tax preparation.
- **TCE.** Go to *IRS.gov/TCE*, download the free IRS2Go app, or call 1-888-227-7669 to find the nearest TCE location for free tax preparation.

Getting answers to your tax questions. On IRS.gov get answers to your tax questions anytime, anywhere.

- Go to *IRS.gov/Help* or *IRS.gov/LetUsHelp* pages for a variety of tools that will help you get answers to some of the most common tax questions.
- Go to *IRS.gov/ITA* for the Interactive Tax Assistant, a tool that will ask you questions on a number of tax law topics and provide answers. You can print the entire interview and the final response for your records.
- Go to *IRS.gov/Pub17* to get Pub. 17, Your Federal Income Tax for Individuals, which features details on tax-saving opportunities, 2017 tax changes, and thousands of interactive links to help you find answers to your questions. View it online in HTML, as a PDF, or download it to your mobile device as an eBook.
- You may also be able to access tax law information in your electronic filing software.

Getting tax forms and publications. Go to *IRS.gov/Forms* to view, download, or print all of the forms and publications you may need. You can also download and view popular tax publications and instructions (including the 1040 instructions) on mobile devices as an eBook at no charge. Or, you can go to *IRS.gov/OrderForms* to place an order and have forms mailed to you within 10 business days.

Access your online account (Individual taxpayers only). Go to *IRS.gov/Account* to securely access information about your federal tax account.

- View the amount you owe, pay online or set up an online payment agreement.
- Access your tax records online.
- Review the past 18 months of your payment history.
- Go to *IRS.gov/SecureAccess* to review the required identity authentication process.

Using direct deposit. The fastest way to receive a tax refund is to combine direct deposit and IRS *e-file*. Direct deposit securely and electronically transfers your refund directly into your financial account. Eight in 10 taxpayers use direct deposit to receive their refund. IRS issues more than 90% of refunds in less than 21 days.

Delayed refund for returns claiming certain credits. Due to changes in the law, the IRS can't issue refunds before mid-February 2018, for returns that properly claimed the earned income credit (EIC) or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

Getting a transcript or copy of a return. The quickest way to get a copy of your tax transcript is to go to *IRS.gov/Transcripts*. Click on either "Get Transcript Online" or "Get Transcript by Mail" to order a copy of your transcript. If you prefer, you can:

- Order your transcript by calling 1-800-908-9946.
- Mail Form 4506-T or Form 4506T-EZ (both available on IRS.gov).

Using online tools to help prepare your return. Go to *IRS.gov/Tools* for the following.

- The *Earned Income Tax Credit Assistant* (*IRS.gov/EIC*) determines if you're eligible for the EIC.
- The *Online EIN Application* (*IRS.gov/EIN*) helps you get an employer identification number.
- The *IRS Withholding Calculator* (*IRS.gov/W4App*) estimates the amount you should have withheld from your paycheck for federal income tax purposes.
- The *First Time Homebuyer Credit Account Look-up* (*IRS.gov/HomeBuyer*) tool provides information on your repayments and account balance.
- The *Sales Tax Deduction Calculator* (*IRS.gov/SalesTax*) figures the amount you can claim if you itemize deductions on Schedule A (Form 1040), choose not to claim state and local income taxes, and you didn't save your receipts showing the sales tax you paid.

Resolving tax-related identity theft issues.

- The IRS doesn't initiate contact with taxpayers by email or telephone to request personal or financial information. This includes any type of electronic communication, such as text messages and social media channels.
- Go to *IRS.gov/IDProtection* for information and videos.
- If your SSN has been lost or stolen or you suspect you're a victim of tax-related identity theft, visit *IRS.gov/ID* to learn what steps you should take.

Checking on the status of your refund.

- Go to *IRS.gov/Refunds*.
- Due to changes in the law, the IRS can't issue refunds before mid-February 2018, for returns that properly claimed the EIC or the ACTC. This applies to the entire refund, not just the portion associated with these credits.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 1-800-829-1954.

Making a tax payment. The IRS uses the latest encryption technology to ensure your electronic payments are safe and secure. You can

make electronic payments online, by phone, and from a mobile device using the IRS2Go app. Paying electronically is quick, easy, and faster than mailing in a check or money order. Go to *IRS.gov/Payments* to make a payment using any of the following options.

- *IRS Direct Pay*: Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- **Debit or credit card:** Choose an approved payment processor to pay online, by phone, and by mobile device.
- **Electronic Funds Withdrawal:** Offered only when filing your federal taxes using tax preparation software or through a tax professional.
- **Electronic Federal Tax Payment System:** Best option for businesses. Enrollment is required.
- **Check or money order:** Mail your payment to the address listed on the notice or instructions.
- **Cash:** You may be able to pay your taxes with cash at a participating retail store.

What if I can't pay now? Go to *IRS.gov/Payments* for more information about your options.

- Apply for an *online payment agreement* (*IRS.gov/OPA*) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the *Offer in Compromise Pre-Qualifier* (*IRS.gov/OIC*) to see if you can settle your tax debt for less than the full amount you owe.

Checking the status of an amended return. Go to *IRS.gov/WMAR* to track the status of Form 1040X amended returns. Please note that it can take up to 3 weeks from the date you mailed your amended return for it to show up in our system and processing it can take up to 16 weeks.

Understanding an IRS notice or letter. Go to *IRS.gov/Notices* to find additional information about responding to an IRS notice or letter.

Contacting your local IRS office. Keep in mind, many questions can be answered on IRS.gov without visiting an IRS Tax Assistance Center (TAC). Go to *IRS.gov/LetUsHelp* for the topics people ask about most. If you still need help, IRS TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to *IRS.gov/TACLocator* to find the nearest TAC, check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

Watching IRS videos. The IRS Video portal (*IRSvideos.gov*) contains video and audio presentations for individuals, small businesses, and tax professionals.

Getting tax information in other languages. For taxpayers whose native language isn't English, we have the following resources available. Taxpayers can find information on IRS.gov in the following languages.

- *Spanish* (*IRS.gov/Spanish*).
- *Chinese* (*IRS.gov/Chinese*).
- *Vietnamese* (*IRS.gov/Vietnamese*).
- *Korean* (*IRS.gov/Korean*).
- *Russian* (*IRS.gov/Russian*).

The IRS TACs provide over-the-phone interpreter service in over 170 languages, and the service is available free to taxpayers.

The Taxpayer Advocate Service Is Here To Help You

What is the Taxpayer Advocate Service?

The Taxpayer Advocate Service (TAS) is an ***independent*** organization within the IRS that helps taxpayers and protects taxpayer rights. Our job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the *Taxpayer Bill of Rights*.

What Can the Taxpayer Advocate Service Do For You?

We can help you resolve problems that you can't resolve with the IRS. And our service is free. If you qualify for our assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business,
- You face (or your business is facing) an immediate threat of adverse action, or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How Can You Reach Us?

We have offices *in every state, the District of Columbia, and Puerto Rico*. Your local advocate's number is in your local directory and at *TaxpayerAdvocate.IRS.gov/Contact-Us*. You can also call us at 1-877-777-4778.

How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Our Tax Toolkit at *TaxpayerAdvocate.IRS.gov* can help you understand *what these rights mean to you* and how they apply. These are ***your*** rights. Know them. Use them.

How Else Does the Taxpayer Advocate Service Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, please report it to us at *IRS.gov/SAMS*.

Low Income Taxpayer Clinics

Low Income Taxpayer Clinics (LITCs) are independent from the IRS. LITCs represent individuals whose income is below a certain level and need to resolve tax problems with the IRS, such as audits, appeals, and tax collection disputes. In addition, clinics can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. To find a clinic near you, visit *TaxpayerAdvocate.IRS.gov/LITCmap* or see IRS Publication 4134, *Low Income Taxpayer Clinic List*.

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To help us develop a more useful index, please let us know if you have ideas for index entries. See "Comments and Suggestions" in the "Introduction" for the ways you can reach us.

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