

Charity Donation vs. Charity Deduction

<p>APPLIANCES Dryer \$50 to \$150 Stove \$50 to \$150 Heaters \$10 to \$25 Refrigerator \$30 to \$250 TV, Color \$75 to \$150 Typewriter \$25 to \$50 Vacuum \$20 to \$75 Washer \$50 to \$150</p> <p>CHILDREN Bicycles \$15 to \$75 Blouses/Shirts \$4 to \$10 Coats \$10 to \$20 Dresses \$4 to \$15 Jackets \$10 to \$20 Jeans \$4 to \$10 Pants \$4 to \$10 Shoes \$4 to \$10</p> <p>LINENS Bedspreads \$8 to \$40 Blankets \$4 to \$20 Curtains \$5 to \$20 Drapes \$5 to \$40 Sheets \$5 to \$10 Throw Rugs \$4 to \$25 Bath Towels \$2 to \$6</p>	<p>FURNITURE Bed \$35 to \$170 Bedroom Set \$100 to \$1000 Chest \$25 to \$95 China Cabinet \$85 to \$300 Coffee Table \$15 to \$100 Convertible Sofa \$85 to \$300 Crib \$85 to \$100 Desk \$25 to \$140 Dining Room Set \$150 to \$900 Dresser w/Mirror \$20 to \$100 End Tables (2) \$10 to \$50 High Chair \$10 to \$50 Kitchen Set \$35 to \$170 Play Pen \$5 to \$30 Rugs \$20 to \$90 Sofa \$35 to \$200</p> <p>MEN Jackets \$7 to \$25 Overcoats \$15 to \$60 Pants/Shorts \$4 to \$10 Shirts \$4 to \$12 Shoes \$4 to \$25 Slacks \$5 to \$20 Sweaters \$5 to \$20 Swim Trunks \$4 to \$12 Tuxedo \$25 to \$100</p>	<p>WOMEN Bathing Suits \$5 to \$25 Bathrobes \$4 to \$20 Blouse \$4 to \$20 Boots \$5 to \$25 Coats \$10 to \$40 Dresses \$4 to \$19 Evening Dresses \$20 to \$60 Fur Coats \$25 to \$400 Fur Hats \$7 to \$15 Handbags \$4 to \$20 Hats \$4 to \$8 Jackets \$7 to \$35 Pants Suits \$10 to \$40 Shoes \$4 to \$25 Skirts \$4 to \$20 Slacks \$5 to \$20 Suits \$20 to \$50 Sweaters \$5 to \$20</p> <p>OTHER Christmas Tree \$18 to \$60 Fishing Rod \$10 to \$40 Piano \$90 to \$240 Pictures \$5 to \$50 Skis \$20 to \$120 Mixer \$5 to \$30 Mower \$50 to \$120</p>
--	---	---

Inventory Example Required on all Charity Donations of Household Goods

Name of Charity: _____
 Address of Charity: _____

Date of Donation: _____

ITEM DONATED	CONDITION	YEAR ACQUIRED	PURCHASE PRICE	TODAY'S USED VALUE

Follow these guidelines to insure that your donation is a deduction on your income tax return!

The Tax network – Providing You What You Need to Succeed

2012 All Rights Reserved – Las Vegas, Nevada

Online tracking for deductions, donations, physical items, money, stock, and/or mileage, you may wish to visit ItsDeductible.com

Charity Donation vs. Charity Deduction

RULE ONE

You must be able to itemize on your tax return to take charity deductions. If you are not able to itemize this year you can "bunch" your deductions; that is, you can delay contributions until next year.

CASH DONATIONS

If you make a cash donation and don't get a receipt, you have a donation, but not a deduction. You can no longer deduct cash donations. You must have a *cancelled check, bank record, OR receipt* from the charity regardless of the amount you donate. If the cumulative donation over the course of a year is more than \$250, a receipt from the charity is **ALWAYS REQUIRED**.

SPECIAL RULES...

- You cannot deduct contributions made to specific individuals, political organizations, or candidates.
- You cannot deduct the value of your time or service.
- You cannot deduct the cost of raffles, bingo or other games of chance.
- The donation must be made to a qualified organization, that is, a non-profit agency with tax-exempt status.
- If your contribution entitles you to merchandise, goods or services, including admission to a charity ball, banquet, theatrical performance, or sporting event, you can deduct only the amount that exceeds the fair market value of the benefit received.
- Special rules apply to donations of vehicles.

NON-CASH DONATIONS

That is those household items like shoes, clothes, books, furniture, and appliances that you donate. After August 17, 2006, items donated may not qualify for tax deduction unless they are in good condition or better. When you make out your inventory of goods donated, you will need to add a notation of the condition of every single item (like new, new in box, good, very good, excellent). You will need a receipt from the charity along with your inventory, and it is always a good idea to take pictures of the donated goods.

Every year more than \$10 billion in household items are deducted on tax returns. Congress wants to insure that goods donated will have meaningful use to the charities. IRS has promised to diligently exercise its authority to disallow non-cash charity deductions that only have a minimal value.

There is an exception to the condition that the item be in good condition or better IF any single item is valued at more than \$500 and has a qualified appraisal. You will also need a qualified appraisal if the cumulative total of your used donations are greater than \$5000.

NON-CASH DONATIONS OVER \$500 BUT NOT OVER \$5000

Along with the receipt from the charity, your itemized inventory must also include when and how you came to possess the property, for example, by purchase, gift, inheritance, or exchange. You may also include your original cost or other basis.

NEAR-CASH DONATION

These expenses occur when you make purchases for the benefit of the charity like Sunday School supplies, canned goods, chaperone expenses, etc. Even though you have a receipt for the purchase of these items, you must also have acknowledgement from the charity that the items have been placed in use.

STOCK DONATIONS

If you have stock that has appreciated in value, give the shares to the charity. You will not have to pay taxes on the capital gains, and you will receive a charity deduction for the fair market value of the shares on the date of the gift.

PUBLICATION 78

Only those charities recognized by IRS may qualify for charitable deductions. To find out if your favorite charity qualifies as a 501©(3) charity, go to www.irs.gov and search on Publication 78.

Follow these guidelines to insure that your donation is a deduction on your income tax return!