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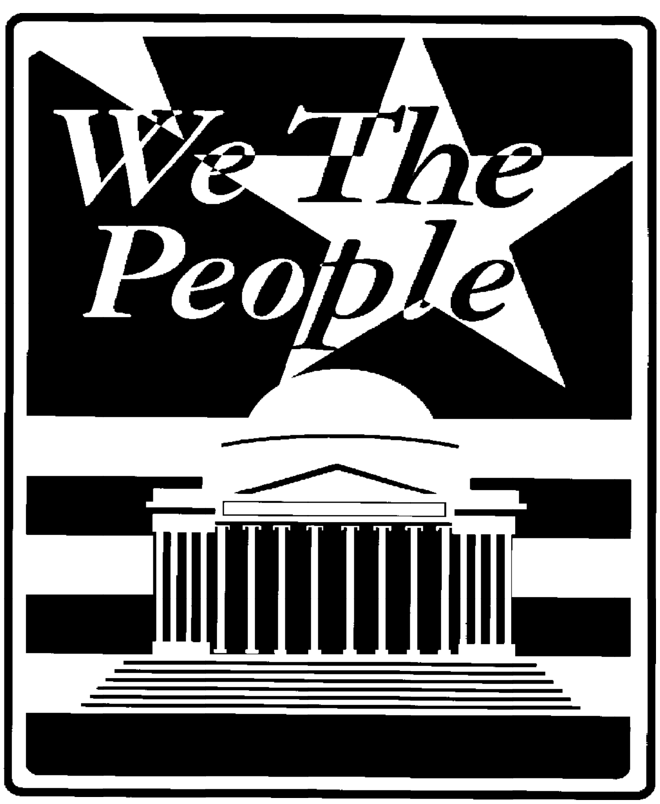
Charitable Contributions

For use in preparing
1994 Returns



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Important Changes for 1994

Written acknowledgement required. You can claim a deduction for a contribution of $250 or more only if you have a written acknowledgement of your contribution from the qualified organization. For more information, see *Records To Keep,* later.

Payment partly for goods or services. A qualified organization that receives a payment from you must give you a written statement if the payment is more than $75 and is partly a contribution and partly for goods or services. The statement must tell you that you can deduct only the amount of your payment that is more than the value of the goods or services you received. See *Contributions From Which You Benefit* for more information.

Important Reminders

Limit on itemized deductions. Certain itemized deductions (including charitable contributions) are limited if your adjusted gross income is more than $111,800 ($55,900 if you are married filing separately). If you need more information about this limit, see the instructions for Schedule A (Form 1040).

Disaster relief. You can deduct contributions earmarked for ''Earthquake Disaster Relief'' or other disaster relief to a qualified organization (defined later under *Organizations That Qualify To Receive Deductible Contributions*). However, you cannot deduct contributions earmarked for relief of a particular individual or family.

Introduction

This publication discusses organizations that are qualified to receive charitable contributions, the types of contributions you can deduct, how much you can deduct, what records to keep, and how to report charitable contributions. A ***charitable contribution*** is a contribution 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 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*, later.

To deduct a charitable contribution, you must file Form 1040 and itemize deductions on Schedule A. You report your contributions on lines 15 through 18 of Schedule A under the heading ''Gifts to Charity.'' The amount of your deduction may be limited if certain rules and limits explained in this publication apply to you.

Useful Items

You may want to see:

Publication

❏ **561** Determining the Value of Donated Property

Form (and Instructions)

❏ **Schedule A (Form 1040)** Itemized Deductions

❏ **8283** Noncash Charitable Contributions

Ordering publications and forms. To order free publications and forms, call our toll-free telephone number 1–800–TAX–FORM (1–800–829–3676). If you have access to TDD equipment, you can call 1–800–829–4059. See your tax package for the hours of operation. You can also write to the IRS Forms Distribution Center nearest you. Check your income tax package for the address.

Asking tax questions. You can call the IRS with your tax question Monday through Friday during regular business hours. Check your telephone book or your tax package for the local number or you can call toll-free 1–800–829–1040 (1–800–829–4059 for TDD users).

Organizations That Qualify To Receive Deductible Contributions

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

You may ask any organization whether it is a qualified organization, and most will be able to tell you. Or you may check IRS Publication 78, *Cumulative List of Organizations*, which lists most qualified organizations. To check Publication 78, go to your local library's reference section or call the IRS toll-free tax help telephone number shown for your area in the Form 1040 instructions. (This is not the same as the telephone number listed earlier for ordering publications and forms.)

Types of Qualified Organizations

Generally, only the five following types of organizations can be qualified organizations:

1) 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.

   Note: To be able to deduct your contribution to this type of organization, you must make it for public purposes only.

   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 it.

   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.

2) 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 be organized and operated only for charitable, religious, educational, scientific, or literary purposes, or for the prevention of cruelty to children or animals. This includes the Red Cross, the United Way, Boy Scouts, and Girl Scouts. Certain organizations that foster national or international amateur sports competition also qualify.

3) War veterans' organizations, including posts, auxiliaries, trusts, or foundations, organized in the United States or any of its possessions.

4) Domestic fraternal societies, orders, and associations operating under the lodge system.

   Note: Your contribution to this type of organization is deductible only if it is to be used only for charitable, religious, scientific, literary, or educational purposes, or

Table 1. **Examples of Charitable Contributions—A Quick Check**

Use the following lists for a **quick check** of contributions you can or cannot deduct. See the rest of this publication for more information and additional rules and limits t hat 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) • Nonprofit schools and hospitals • Public parks and recreation facilities • Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc. • War veterans' groups Costs you pay for a student living with you, sponsored by a qualified organization Out-of-pocket expenses when you serve a qualified organization as a volunteer	Money or property you give to: • Civic leagues, social and sports clubs, labor unions, and chambers of commerce • Foreign organizations (except certain Canadian 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 Cost of raffle, bingo, or lottery tickets 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

for the prevention of cruelty to children or animals.

5) Certain nonprofit cemetery companies or corporations.

   Note: Your contribution to this type of organization is not deductible if it can be used for the care of a specific lot or mausoleum crypt.

Examples. Qualified organizations that fit into one of the above categories include:

- Churches, a convention or association of churches, temples, synagogues, mosques, and other religious organizations.
- Civil defense organizations.
- Most nonprofit charitable organizations.
- Most nonprofit educational organizations, including day-care centers if substantially all the child care provided is to enable individuals (the parents) to be gainfully employed and the services are available to the general public. However, if your contribution is a substitute for tuition or other enrollment fee, it is not deductible as a charitable contribution, as explained later under *Contributions You Cannot Deduct*.
- Nonprofit hospitals and medical research organizations.
- Nonprofit volunteer fire companies.
- Public parks and recreation facilities.
- Utility company emergency energy programs, if the utility company is an agent for a charitable organization that assists individuals with emergency energy needs.

Canadian charities. You can deduct contributions to certain Canadian charitable organizations covered under an income tax treaty with Canada. See Publication 597, *Information on the United States–Canada Income Tax Treaty,* for information on how to figure your deduction.

Mexican charities. Beginning in 1994, you may be able to deduct contributions to certain Mexican charitable organizations under an income tax treaty with Mexico.

The organization must meet tests essentially the same as the tests that qualify U.S. organizations to receive deductible contributions. The organization may be able to tell you if it meets these tests. If not, you can get general information about the tests the organization must meet by writing to the Internal Revenue Service, Assistant Commissioner (International), Attention: Taxpayer Service Division, 950 L'Enfant Plaza, SW, Washington, DC 20024.

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. Those limits also apply to all your charitable contributions, as described in that discussion.

Contributions You Can Deduct

Generally, you can deduct your contributions of money or property that you make to, or for the use of, a qualified organization. A gift or 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 is generally limited to 50% of your adjusted gross income, but in some cases 20% and 30% limits may apply. See *Limits on Deductions*, later.

If your adjusted gross income is more than $111,800 ($55,900 if you are married filing separately), the total of your charitable contributions deduction and certain other itemized deductions may be limited. See the instructions for Form 1040.

Table 1 in this publication lists some examples of contributions you can deduct and some that you cannot deduct.

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.

If you pay more than fair market value to a qualified organization for merchandise, goods, or services, the amount you pay that is more than the value of the item may be a charitable contribution.

Example 1. You pay $75 for a dinner-dance at a church. All the proceeds of the function go to the church. The dinner, plus any entertainment or other services provided, has a fair market value of $25. Subtract the value of the benefit you received ($25) from your total payment ($75). You can deduct $50 as a charitable contribution to the church.

Example 2. At a fund-raising 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 have not 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), that part is not deductible. In that case, subtract the price of the tickets from your payment. 80% of the remaining amount is a charitable contribution.

Example 1. You pay $300 a year for membership in an athletic scholarship program maintained by a university (a qualified organization). 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. Assume the same facts as in Example 1 except that your $300 payment included 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. $144 (80% of $180) is a charitable contribution.

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, your contribution is that part of your payment that is more than the reasonable value of the right to attend the event. 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.

Even if the ticket or other evidence of payment indicates that the payment is a ''contribution,'' this does not 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 cannot deduct dues, fees, or assessments paid to country clubs and other social organizations. They are not qualified organizations.

Token items. You can deduct your entire payment to a qualified organization as a charitable contribution, if both the following are true:

1) You receive:

   a) As a result of the payment, low-value or low-cost items such as bookmarks, calendars, mugs, or caps that have on them the organization's name or logo, or

   b) A low-cost item that you did not order and can keep even if you do not make a contribution.

2) The qualified organization correctly informs you that the value of the item you

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

If you do volunteer work 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 do volunteer work 6 hours a week in the office of a qualified organization. The receptionist is paid $6 an hour to do the same work I do. Can I deduct $36 a week for my time?	No, you cannot 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 the qualified organization where you are a volunteer. If you don't want to figure your actual costs, you can deduct 12 cents for each mile.
I am a Red Cross nurse's aide at a hospital. Can I deduct the cost of uniforms that I must wear?	Yes, you can deduct the cost of buying and cleaning your uniforms if the hospital is a qualified organization, the uniforms are not suitable for everyday use, and you must wear them when volunteering.
I pay a babysitter to watch my children while I do volunteer work for a qualified organization. Can I deduct these costs?	No, you cannot deduct payments for child care expenses as a charitable contribution, even if they are necessary so you can do volunteer work for a qualified organization. (If you have child care expenses so you can work for pay, get Publication 503, *Child and Dependent Care Expenses.)*

received is not substantial and that you can deduct your payment in full.

Written statement. Beginning in 1994, a qualified organization must give you a written statement if you make a payment to it that is more than $75 and is partly a contribution and partly for goods or services. The statement must tell you that 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.

An organization will not have to give you this statement if one of the following is true:

1) The organization is:
   a) The type of organization described in (1) under *Types of Qualified Organizations,* earlier, or
   b) 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 is not sold in commercial transactions outside the donative context.
2) You receive only low-value or low-cost items as described under *Token items,* 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 expenses for a foreign or American student who:

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

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) above 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 *Organizations That Qualify To Receive Deductible Contributions*, except those in (1) and (5). For example, if you are providing a home for a student through a state or local government agency, you cannot deduct your expenses as charitable contributions.

Qualifying expenses. Expenses that you may be able to deduct include 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. Depreciation on your home, the fair market value of lodging, and similar items are not considered amounts spent by you. In addition, general household expenses, such as taxes, insurance, repairs, etc., do not qualify for the deduction.

If you are compensated or reimbursed for any part of the costs of having a student living with you, you cannot deduct ***any*** of your costs. However, if you are reimbursed for only an extraordinary or a one-time item, such as a hospital bill or vacation trip, that you paid in advance at the request of the student's parents or the sponsoring organization, you can deduct your expenses for the student for which you were not reimbursed.

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.

Mutual exchange program. You cannot 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.

Out-of-Pocket Expenses in Giving Services

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,

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 are not deductible.

Conventions. If you are a chosen representative attending a convention of a qualified organization, you can deduct unreimbursed expenses for travel and transportation, including a reasonable amount for meals and lodging, while away from home overnight in connection with the convention. However, see *Travel*, later.

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

You cannot deduct your expenses in attending a church convention if you go only as a member of your church rather than as a chosen representative. You can 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 are not suitable for everyday use and that you must wear while performing donated services for a charitable organization.

Foster parents. You can deduct some of the costs of being a foster parent (foster care provider) if you have no profit motive in providing the foster care and are not, in fact, making a profit.

You can deduct expenses that are:

1) Greater than any nontaxable payments you receive to provide foster care for individuals placed in your home by a charitable organization, and
2) Spent to provide support for those individuals.

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 as an ordained deacon.

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

If you do not want to deduct your actual expenses, you can use a standard rate of ***12 cents a mile*** to figure your contribution.

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

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

Travel. 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 such 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 will not be denied simply because you enjoy providing services to the charitable organization.

Example 1. You are a troop leader for a tax-exempt youth group and take the group on a camping trip. You can take a charitable contribution deduction for your own travel expenses if you are on duty in a genuine and substantial sense throughout the trip, even though you enjoyed the trip. However, if you have only nominal duties relating to the performance of services for the charity, or for significant portions of the trip you are not required to render services, you cannot 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 cannot deduct your expenses.

Example 3. You work for several hours each morning on an archeological excavation sponsored by a charitable organization. The rest of the day is free for recreation and sightseeing. You cannot 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.

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, include in income the amount that is more than your actual travel expenses. You can deduct your 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.

For more information, see *Travel Expenses* in Publication 463, *Travel, Entertainment, and Gift Expenses*.

Contributions You Cannot Deduct

There are some contributions that you cannot deduct. You can deduct only part of other contributions. You cannot deduct as a charitable contribution:

1) A contribution to a specific individual,
2) A contribution to an organization that is not a qualified organization,
3) The part of a contribution from which you receive or expect to receive an equal financial or economic benefit,
4) The value of your time or services,
5) Your personal, living, or family expenses,
6) Appraisal fees, or
7) Certain contributions of partial interests in property (as explained under *Contributions of Property*, later).

Detailed discussions of these items follow.

Contributions to individuals. You cannot deduct contributions to specific individuals, including:

- ***Contributions to fraternal societies*** made for the purpose of paying medical or burial expenses of deceased members.
- ***Contributions to individuals who are needy or worthy.*** This includes contributions to a qualified organization if you indicate that your contribution is for a specific person. But you can deduct a contribution that you give to a qualified organization that in turn helps needy or worthy individuals if you do not indicate that your contribution is for a specific person.
- ***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 cannot 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 cannot deduct these payments even if the hospital is operated by a city, state, or other qualified organization.

Contributions to nonqualified organizations. You cannot deduct contributions to organizations that are not qualified to receive tax-deductible contributions, including:

- ***Certain state bar associations***, if:
  a) The state bar is not 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.
- ***Chambers of commerce*** and other business leagues or organizations.
- ***Civic leagues and associations***.
- ***Communist organizations***.
- ***Country clubs*** and other social clubs.
- ***Foreign organizations***. But you can deduct contributions you make to:
  a) A U.S. organization that transfers funds to a charitable foreign organization if the U.S. organization controls the use of the funds or if the foreign organization is only an administrative arm of the U.S. organization, or
  b) Certain Canadian or Mexican charitable organizations. See *Canadian charities* and *Mexican charities* under *Organizations That Qualify To Receive Deductible Contributions,* earlier.

- ***Homeowners' associations***.
- ***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 Publication 529, *Miscellaneous Deductions*.)
- ***Political organizations and candidates***.

Contributions from which you benefit. You cannot deduct contributions that you give to qualified organizations if, as a result, you receive or expect to receive a financial or economic benefit equal to the contribution. These include:

- ***Contributions for lobbying***. This includes amounts that you earmark for use in, or in connection with, influencing specific legislation.
- ***Contributions to a retirement home*** that are clearly 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 is not a charitable contribution.
- ***Costs of raffles, bingo, lottery, etc.*** You cannot 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 Publication 529.
- ***Dues to fraternal orders*** and similar groups.
- ***Tuition,*** or amounts you pay instead of tuition, even if you pay them for children to attend parochial schools or qualifying nonprofit day-care centers. You also cannot deduct any fixed amount you may be required to pay in addition to the tuition fee to enroll in a private school, even if it is designated as a "donation."

Value of time or services. You cannot deduct the value of your time or services, including:

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

Personal expenses. You cannot deduct personal, living, or family expenses, such as:

- ***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 an exemption for the child. See *Adoption* in Publication 501, *Exemptions, Standard Deduction, and Filing Information,* for more information.
- ***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.

Appraisal fees. Fees that you pay to find the fair market value of donated property are not deductible as contributions. You can claim them, subject to the 2% of adjusted gross income limit, as miscellaneous deductions on Schedule A (Form 1040). See *Deductions Subject to the 2% Limit* in Publication 529 for more information.

Partial interest in property. Generally, you cannot 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. 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.

Special rules apply if you contributed:

Property subject to a debt,

A partial interest in property,

A future interest in tangible personal property, or

Inventory from your business.

These special rules are described next.

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 that you paid (or will pay) 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 is not includible in your income due to your accounting method.

This prevents a double deduction of the same amount as investment interest and also as a charitable contribution.

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

If you sold the property to a qualified organization at a bargain price, the amount of the debt is also treated as an amount realized on the sale or exchange of property. For more information, see *Bargain Sales* under *Giving Property That Has Increased in Value*, later.

Partial interest in property. Generally, you cannot deduct a charitable contribution not made by a transfer in trust of less than your entire interest in property. A contribution of the right to use property (not made by a transfer in trust) is a contribution of less than your entire interest in that property and is not deductible.

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

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

1) 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.

2) 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.

   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 have not contributed an undivided part of your entire interest and cannot deduct your contribution.

3) A partial interest that would be deductible if transferred in trust.
4) A qualified conservation contribution (defined under *Qualified conservation contribution* in Publication 561, *Determining the Value of Donated Property*).

For information about how to figure the value of a contribution of a partial interest in property, see *Partial Interest in Property* in Publication 561.

Future interest in tangible personal property. You can deduct the value of a charitable contribution of a future interest in tangible personal property only after 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.

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

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 in 1994. You give up ownership, but retain the right to keep the car in your garage with your personal collection. Since you have kept an interest in the property, you cannot deduct the contribution in 1994. If you turn the car over to the museum in 1995, giving up all rights to its use, possession, and enjoyment, you can take a deduction for the contribution in 1995.

Inventory. If you contribute inventory (property that you sell in the course of your business), the amount of your contribution deduction is the smaller of its fair market value on the day you contributed it or its basis. The basis of donated 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 this cost from your opening inventory. It is not part of the cost of goods sold.

If the cost of donated inventory is not included in your opening inventory, the inventory's basis is zero and you cannot 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.

Determining Fair Market Value

This section discusses general guidelines for determining the fair market value of various types of donated property. Publication 561, *Determining the Value of Donated Property*, 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 being required 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.

Household goods. The fair market value of used household goods, 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) are not 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. Do not 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 Publication 561.

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

Certain commercial firms and trade organizations publish 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 are not ''official'' and these publications are not 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.

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

Example. You donate your car to a local high school for use by students studying automobile repair. Your credit union told you that the ''blue book'' value of the car is $1,600. However, your car needs extensive repairs and, after some checking, you find that you would not be able to sell it for more than $750. You can deduct $750, the ***true*** fair market value of the car, as a charitable contribution.

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 cannot 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, get Publication 551, *Basis of Assets*. You may want to get Publication 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 decreases 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, get Publication 551.

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

1) Ordinary income property, or
2) Capital gain property.

Ordinary Income Property

Property is ordinary income property if its sale at fair market value on the date it was contributed would have resulted in ordinary income or in short-term capital gain. 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.

Amount of deduction. The amount you can deduct for a contribution of ordinary income property is its fair market value less 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 that 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 less the appreciation).

Exception. You do not need to 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 the *Exception* under *Capital Gain Property,* later, if you need more information.

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 4 of Publication 544, *Sales and Other Dispositions of Assets*, for the kinds of property to which this rule applies.

Capital Gain Property

Property is capital gain property if its sale at fair market value on the date of the contribution would have resulted in long-term capital gain.

Capital gain property includes capital assets held more than 1 year.

Capital assets include most items of property that 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 have to treat this property as partly ordinary income property and partly capital gain property.)

Real property is land and generally anything that is built on, growing on, or attached to land. 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 Publication 544.

Amount of deduction. When figuring your deduction for a gift of capital gain property, you usually can use the fair market value of the gift. 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 you reduce 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) The contributed property is tangible personal property that is put to an ***unrelated use*** by the charity, or
3) You choose the 50% limit instead of the special 30% limit, discussed 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 does not apply to contributions of qualified appreciated stock. ***Qualified appreciated stock*** is any stock of 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. This exception does not apply, however, to the extent you and your family contribute more than 10% of the value of all of the outstanding stock of a corporation.

Tangible personal property put to an unrelated use. The term ***tangible personal property*** means any property, other than land or buildings, that can be seen or touched. It includes furniture, books, jewelry, paintings, and cars.

The term ***unrelated use*** means a use that is 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 is not 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.

Exception. You do not 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 Publication 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.

Bargain Sales

A bargain sale of property to a qualified organization (a sale or exchange for less than the property's fair market value) 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 determining the amount of any taxable gain, see *Other Dispositions* in Chapter 4 of Publication 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 the ordinary income property and capital gain property rules (discussed 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 contribution 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 donated 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 200% 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 400% 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 succeeding carryover year, as explained later under *How To Figure Your Deduction When Limits Apply*). 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 that you mail to a charity is considered delivered on the date you mail it.

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

Pay-by-phone account. If you use a pay-by-phone account, the date you make a contribution is the date the financial institution pays the amount. This date should be shown on the statement the financial institution sends to you.

Stock certificate. The gift to a charity of a properly endorsed stock certificate is completed 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 gift is not completed 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 charitable organization as a contribution, it is not a contribution until you make the note payments.

Option. If you grant an option to buy real property at a bargain price to a charitable organization, you cannot take a deduction until the organization exercises the option.

Borrowed funds. If you make a contribution with borrowed funds, you can deduct the contribution in the year you make it, regardless of when you repay the loan.

Conditional gift. If your contribution is a conditional gift that depends on a future act or event that may not take place, you cannot take a deduction. But if there is only a negligible chance that the act or event will not take place, you can take a deduction.

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

Example 1. You donate 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 does not collect enough to build the gym. You cannot deduct your gift as a charitable contribution until there is no 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 does plan 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

If your total contributions for the year are 20% or less of your adjusted gross income (line 32, Form 1040), you do not need to read this section. The limits discussed here do not apply to you.

The amount of your deduction may be limited to either 20%, 30%, or 50% of your adjusted gross income, depending on the type of property you give and the type of organization you give it to. These limits are described below.

If your contributions are more than any of the limits that apply, see *How To Figure Your Deduction When Limits Apply*, 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 cannot be more than 50% of your adjusted gross income for the year (line 32, Form 1040).

The 50% limit is the only limit that applies to gifts ***to*** organizations listed below under *50% limit organizations*. But there is one exception. A special 30% limit also applies to such gifts if they are gifts of capital gain property for which you figure your deduction using fair market value without reduction for appreciation. (See *Special 30% limit,* later.)

50% limit organizations. You may ask any organization whether it is a 50% limit organization, and most will be able to tell you. Or you may check IRS Publication 78, *Cumulative List of Organizations*. To check Publication 78, go to your local library's reference section or call the IRS toll-free tax help telephone number shown for your area in the Form 1040 instructions.

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) Corporations, trusts, or community chests, funds, or foundations organized and operated only for charitable, religious, educational, scientific, or literary purposes, or to prevent cruelty to children or animals, or to foster certain national or international amateur sports competition. These organizations must be ''publicly supported,'' which means they normally must receive a substantial part of their support, other than income from their exempt activities, from direct or indirect contributions from the general public or from governmental units.
7) Organizations that may not qualify as ''publicly supported'' under (6) 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 that 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) above 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).

30% limit. The 30% limit applies to:

- Gifts ***for the use of*** any organization, and
- Gifts (other than capital gain property) to all qualified organizations other than 50% limit organizations. This includes gifts to veterans' organizations, fraternal societies, nonprofit cemeteries, and certain private nonoperating foundations.

Student living with you. 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.

Special 30% limit. A special 30% limit applies to gifts of capital gain property to 50% limit organizations.

There is one exception to this general rule. The special 30% limit does not 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 election* under *How To Figure Your Deduction When Limits Apply*, later.

20% limit. The 20% limit applies to gifts of capital gain property to all qualified organizations other than 50% limit organizations.

Out-of-pocket expenses. Amounts you spend performing services for a charitable organization, which qualify as charitable contributions, are subject to the limit of the organization. For example, the 50% limit applies to amounts you spend on behalf of a church, a 50% limit organization. These amounts are considered a contribution ***to*** a qualified organization.

How To Figure Your Deduction When Limits Apply

If your contributions are more than the limits just discussed, you can deduct the following:

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:
   - 30% of adjusted gross income, or
   - 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:
   - 30% of adjusted gross income, or
   - 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:
   - 20% of adjusted gross income,
   - 30% of adjusted gross income minus your contributions subject to the 30% limit,
   - 30% of adjusted gross income minus your contributions of capital gain property subject to the special 30% limit, or
   - 50% of adjusted gross income minus the total of your contributions to 50% limit organizations and your contributions subject to the 30% limit.

Worksheet. If more than one of the limits described above limit your deduction for charitable contributions, you may want to use the worksheet in *Table 4* on page 16 to figure your deduction for 1994 and your carryover.

Example. Your adjusted gross income is $50,000 for 1994. During the year, you gave your church $2,000 cash and land with a fair market value of $28,000. You had purchased the land in 1988 and its basis is $22,000. You held the land for investment purposes. You do not elect to reduce the fair market value of the land by the appreciation in value. 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. However, 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 is not deductible in 1994. It can be carried over to later years. See *Carryovers*, later. The deduction for the gift of land is limited to $15,000 (30% × $50,000). The unused part of the gift of land ($13,000) can be carried over. Therefore, in 1994, your deduction is limited to $17,000 ($2,000 + $15,000).

A *Filled-in Worksheet for Limit on Deductions* in *Table 3* on page 11 shows this computation in detail.

Capital gain property election. You may choose the 50% limit for gifts of capital gain property to 50% limit organizations. 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 30% capital gain property contributed 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 50% of adjusted gross income. Your total deduction for 1994 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. The excess contribution ($4,000) to the private foundation can be carried over.

Carryovers. You can carry over your contributions that you are not able to deduct in the current year because they exceed your adjusted-gross-income limit. You can deduct the excess in each of the 5 succeeding years until it is used up, but not beyond that time. Your total contributions deduction for the year to which you carry your contributions cannot exceed 50% of your adjusted gross income for that year.

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.

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.

Example 1. During 1993, you contributed $11,000 to a 50% limit organization, but because of the limit you deducted only $10,000 and carried over $1,000 to 1994. In 1994 your adjusted gross income is $20,000 and you contribute $9,500 to a 50% limit organization. You can deduct $10,000 (50% of $20,000), using your 1994 contribution of $9,500 plus $500 of your 1993 carryover. The $500 balance of your 1993 carryover is carried over to 1995.

Example 2. In 1994 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 1993 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 1994 contribution deduction is limited to $12,000 (50% of $24,000). Your 50% limit 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, which is $7,200 (30% of $24,000). Since your carryover is less than $7,200, 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 1994 30% limit contributions to 1995.

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. You 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. In 1993 your adjusted gross income was $50,000 and you contributed capital gain property valued at $27,000 to a 50% limit organization and did not 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. In 1994 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 in 1993 as well as in 1994. Because the amount of your contribution in 1993 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 in 1994 is $29,000 (your $24,000 current contribution plus your $5,000 carryover).

Table 3. **Filled-in Worksheet for Limit on Deductions**

Who can use this worksheet. You can use this worksheet if you made charitable contributions in 1994, and on e or more of the limits described in this publication under *Limits on Deductions* apply to you. You cannot use this worksheet if you have a carryover of a chari table contribution from an earlier year.

General instructions:

- The terms used in this worksheet are explained earlier in this publication.
- If your answer for 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.

Step 1. List your charitable contributions made in 1994.

1. Enter your contributions to 50% limit organizations. (Include contributions of capital gain property if you reduced the property's fair market value. Do not include contributions of capital gain property deducted at fair market value.)	1	*2,000*
2. Enter your contributions to 50% limit organizations of capital gain property de ducted at fair market value.	2	*28,000*
3. Enter your contributions (other than of capital gain property) to qualified o rganizations that are not 50% limit organizations.	3	*5,000*
4. Enter your contributions ''for the use of'' any qualified organization.	4	*-0-*
5. Add lines 3 and 4.	5	*5,000*
6. Enter your contributions of capital gain property to qualified organizations th at are not 50% limit organizations.	6	*-0-*

Step 2. Figure your deduction for 1994 and your carryover to 1995.

7. Enter your adjusted gross income from line 32, Form 1040.	7	*50,000*
8. Multiply line 7 by 0.5. This is your 50% limit.	8	*25,000*

			Deduct in 1994	Carryover to 1995
Contributions to 50% limit organizations				
9. Enter the smaller of line 1 or line 8.	9		*2,000*	
10. Subtract line 9 from line 1.	10			*-0-*
11. Subtract line 9 from line 8.	11	*23,000*		
Contributions not to 50% limit organizations				
12. Add lines 1 and 2.	12	*30,000*		
13. Multiply line 7 by 0.3. This is your 30% limit.	13	*15,000*		
14. Subtract line 12 from line 8.	14	*-0-*		
15. Enter the smallest of line 5, 13, or 14.	15		*-0-*	
16. Subtract line 15 from line 5.	16			*5,000*
17. Subtract line 15 from line 13.	17	*15,000*		
Contributions of capital gain property to 50% limit organizations				
18. Enter the smallest of line 2, 11, or 13.	18		*15,000*	
19. Subtract line 18 from line 2.	19			*13,000*
20. Subtract line 15 from line 14.	20	*-0-*		
21. Subtract line 18 from line 13.	21	*-0-*		
Contributions of capital gain property not to 50% limit organizations				
22. Multiply line 7 by 0.2. This is your 20% limit.	22	*10,000*		
23. Enter the smallest of line 6, 17, 20, 21, or 22.	23		*-0-*	
24. Subtract line 23 from line 6.	24			*-0-*

Step 3. Summarize your deductions and carryovers.

25. Add lines 9 and 15. Enter the total here and on Schedule A (Form 1040) on lin e 15 or line 16, whichever is appropriate.	25	*2,000*	
26. Add lines 18 and 23. Enter the total here and on line 16 of Schedule A.	26	*15,000*	
27. Add lines 10, 16, 19, and 24. Enter the total here. Carry it forward to 1995.	27		*18,000*

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

Were married in some years but not others,

Had 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,

Had 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 rules apply, they are not discussed in this publication. If you need to compute 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 cash and noncash 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 or noncash contributions.

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, credit card, or payroll deduction. They also include your out-of-pocket expenses when donating your services.

For a contribution made in cash, the records you must keep depend on whether the contribution is:

1) Less than $250, or
2) $250 or more.

Contributions of Less Than $250

For each cash contribution that is less than $250, you must keep one of the following:

1) A canceled check, ***or*** a legible and readable account statement that shows:
   a) If payment was by check — the check number, amount, date posted, and to whom paid.
   b) If payment was by electronic funds transfer — the amount, date posted, and to whom paid.
   c) If payment was charged to a credit card — the amount, transaction date, and to whom paid.
2) A receipt (or a letter or other written communication) from the charitable organization showing the name of the organization, the date of the contribution, and the amount of the contribution.
3) Other reliable written records that include the information described in (2). Records may be considered reliable if they were made at or near the time of the contribution, were regularly kept by you, or if, in the case of small donations, you have buttons, emblems, or other tokens, that are regularly given to persons making small cash contributions.

Contributions of $250 or More

Beginning in 1994, you can claim a deduction for a contribution of $250 or more only if you have an acknowledgement of your contribution from the qualified organization or adequate payroll deduction records.

Amount of contribution. In figuring whether your contribution is $250 or more, do not combine separate contributions. However, two checks written on the same date to the same qualified organization may be considered one contribution.

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

Acknowledgement. The acknowledgement 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 (other than token items of little value) as a result of your contribution, 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 is not sold in a commercial transaction outside the donative context, the acknowledgement must say so and does not 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.

Payroll deduction records. If you make a contribution by payroll deduction, you do not need an acknowledgement from the qualified organization. But if your employer deducted $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 proves the amount withheld, and
2) A pledge card or other document from the qualified organization that states the organization does not provide goods or services in return for any contribution made to it by payroll deduction.

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.

Your records must show the name of the organization you were serving each time you used your car for a charitable purpose. If you use the standard mileage rate, 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*, earlier under *Out-of-Pocket Expenses in Giving Services*, for the expenses you can deduct.

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.

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 are not 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 donated property. Your written records must include the following:

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 signed copy of the 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 the person in possession of the property, other than the organization to which you contributed.

7) The terms of any conditions attached to the gift of property.

If the gift was a ''qualified conservation contribution,'' your records must also include the fair market value of the underlying property before and after the gift and the conservation purpose furthered by the gift. See *Qualified conservation contribution* in Publication 561 for more information.

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 acknowledgement of your contribution from the qualified organization. This acknowledgement must contain the information in items (1) through (3) listed under *Deductions of Less Than $250,* earlier, and your written records must include the information listed in that discussion under *Additional records*.

The acknowledgement must also meet these tests:

1) It must be written.

2) It must include:

   a) A description (but not the value) of any property you contributed,

   b) Whether the qualified organization gave you any goods or services (other than token items of little value) as a result of your contribution, 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 is not sold in a commercial transaction outside the donative context, the acknowledgement must say so and does not 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 acknowledgement and written records described under *Deductions of At Least $250 But Not More Than $500*. Your records must also include:

1) How you got the property, for example, by purchase, gift, bequest, inheritance, or exchange.

2) 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.

3) 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, does not apply to publicly traded securities.

If you are not able to provide information on either the date you got the property or the cost basis of the property and you have a reasonable cause for not being able to provide this information, attach a statement of explanation to your return.

Deductions Over $5,000

If you claim a deduction of over $5,000 for a charitable contribution of one property item or a group of similar property items, you must have the acknowledgement and the written records described under *Deductions Over $500 But Not Over $5,000*. 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.

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 Publication 561 for more information.

How To Report

Report your charitable contributions on lines 15 through 18 of Schedule A of 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

Enter your cash contributions (including out-of-pocket expenses) on line 15, Schedule A (Form 1040).

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 line 16 of Schedule A (Form 1040).

Total deduction over $500. If your ***total*** deduction for all noncash contributions for the year is over $500, you must complete Section A of **Form 8283**, *Noncash Charitable Contributions*, and attach it to your Form 1040. However, do not complete Section A for items you must report on Section B. See *Deduction over $5,000 for one item*, next, for the items you must report on Section B.

The Internal Revenue Service can disallow your deduction for noncash charitable contributions if it is more than $500 and you do not submit a required 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 items for which you claim a deduction of over $5,000. (However, if you contributed certain publicly traded securities, complete Section A instead.) In figuring whether your deduction is over $5,000, combine the claimed deductions for all similar items donated to any charitable organization during the year. The organization that received the property must complete and sign Part IV of Section B.

Form 8282. If an organization, within 2 years after the date of receipt of a contribution of property for which it was required to sign a Form 8283, sells, exchanges, transfers, or otherwise disposes of the property, the organization must file an information return with the Internal Revenue Service on **Form 8282**, *Donee Information Return,* and send you a copy of the form. However, if you have informed the organization that the appraised value of the donated item, or a specific item within a group of similar items, is $500 or less, the organization is not required to make a report on its sale of that item. For this purpose, all shares of nonpublicly traded stock or securities, or items that form a set, are considered to be one item.

Example With Filled-In Forms

Ken and Lisa Miller are married and file a joint return. Their adjusted gross income is $43,250. They itemize their deductions on Schedule A (Form 1040). In 1994, they made the following contributions.

Type of contribution:	Given to:
$350 cash	Church
$50 check	Cancer society
$100 check	United Way
2 bags of used clothes	Salvation Army
Used car	High school
10 shares of stock @ $25/share	United Way
30 shares of stock @ $25/share	Nephew

Because the Millers can deduct only charitable contributions that they gave to qualified organizations, they cannot deduct the gift of stock to their nephew. To deduct the other contributions, they must complete lines 15 through 18 of Schedule A (Form 1040).

First, they add the contributions paid by cash or check ($350 + $50 + $100). They enter the total, $500, on line 15 of Schedule A.

Then, using the rules explained earlier under *Contributions of Property,* they determine that their deduction for all their noncash contributions (those not paid by cash or check) is the full fair market value of the property given. They add these as follows.

Used clothing	$ 50
Used car	2,000
Stock donated to the United Way	250
Total noncash contributions	$2,300

They enter the total, $2,300, on line 16 of Schedule A.

Because the total of their noncash contributions ($2,300) is over $500, the Millers follow the instructions to complete Part I of Section A of Form 8283. For each noncash contribution, they complete columns (a), (b), (c), (g), and (h).

They must also complete columns (d) and (e) for the car because their deduction for it is over $500. Ken and Lisa will attach Form 8283 to Form 1040 when they mail in their return.

Because they did not have any carryovers from earlier years, the Millers leave line 17 of Schedule A blank. They enter the total of lines 15 and 16, $2,800, on line 18.

You can see the Millers' filled-in forms (lines 15 through 18 of Schedule A and Part I of Section A of Form 8283) on the next page.

Schedule A (top of form plus lines 15-18);
Form 8283 (Section A, Part I)
Notes
List of tax publications for individuals
Order Blank

SCHEDULES A&B (Form 1040)

Department of the Treasury Internal Revenue Service

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ Attach to Form 1040. ▶ See Instructions for Schedules A and B (Form 1040).

OMB No. 1545-0074

1994

Attachment Sequence No. 07

Name(s) shown on Form 1040: Ken and Lisa Miller

Your social security number: 123 00 4567

Gifts to Charity	15	Gifts by cash or check. If any gift of $250 or more, see page A-3	15	$ 500	
If you made a gift and got a benefit for it, see page A-3.	16	Other than by cash or check. If any gift of $250 or more, see page A-3. If over $500, you **MUST** attach Form 8283	16	2,300	
	17	Carryover from prior year	17		
	18	Add lines 15 through 17			18 $2,800

Form **8283**

Rev. November 1992

Department of the Treasury Internal Revenue Service

Noncash Charitable Contributions

▶ Attach to your tax return if the total deduction claimed for all property contributed exceeds $500.

▶ See separate instructions.

OMB No. 1545-0908 Expires 11-30-95

Attachment Sequence No. 55

Name(s) shown on your income tax return: Ken and Lisa Miller

Identifying number: 123-00-4567

Note: *Figure the amount of your contribution deduction before completing this form. See your tax return instructions.*

Section A—Include in this section **only** items (or groups of similar items) for which you claimed a deduction of $5,000 or less per item or group, and certain publicly traded securities (see instructions).

Part I **Information on Donated Property**—If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) Description of donated property
A	Salvation Army Anytown, AL 36309	2 bags of used clothing (2 yrs. old, boys' sizes 8-10)
B	County High School Anytown, AL 36309	Car - 1986 Gofast sedan (6 cylinders; 120,000 mi.)
C	United Way 333 Oak St., Anytown, AL 36309	10 sh. of Blake Co. common stock - regularly traded on NY Stock Exchange
D		
E		

Note: *If the amount you claimed as a deduction for an item is $500 or less, you do not have to complete columns (d), (e), and (f).*

	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value	(h) Method used to determine the fair market value
A	7-12-94				$ 50 00	thrift shop value
B	10-7-94	10-87	purchase		2,000 00	"blue book" value - adj.
C	12-14-94				250 00	stock exchange - avg. quoted selling price
D						
E						

Table 4. **Worksheet for Limit on Deductions**

Who can use this worksheet. You can use this worksheet if you made charitable contributions in 1994, and one or more of the limits described in this publication under *Limits on Deductions* apply to you. You cannot use this worksheet if you have a carryover of a charitable contribution from an earlier year.

General instructions:

- The terms used in this worksheet are explained earlier in this publication.
- If your answer for 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.

Step 1. List your charitable contributions made in 1994.

1. Enter your contributions to 50% limit organizations. (Include contributions of capital gain property if you reduced the property's fair market value. Do not include contributions of capital gain property deducted at fair market value.)	1	
2. Enter your contributions to 50% limit organizations of capital gain property deducted at fair market value.	2	
3. Enter your contributions (other than of capital gain property) to qualified organizations that are not 50% limit organizations.	3	
4. Enter your contributions ''for the use of'' any qualified organization.	4	
5. Add lines 3 and 4.	5	
6. Enter your contributions of capital gain property to qualified organizations that are not 50% limit organizations. . . .	6	

Step 2. Figure your deduction for 1994 and your carryover to 1995.

7. Enter your adjusted gross income from line 32, Form 1040.	7	
8. Multiply line 7 by 0.5. This is your 50% limit.	8	

			Deduct in 1994	Carryover to 1995
Contributions to 50% limit organizations				
9. Enter the smaller of line 1 or line 8.	9	//////////////////////////		//////////////////////////
10. Subtract line 9 from line 1.	10	//////////////////////////	//////////////////////////	
11. Subtract line 9 from line 8.	11		//////////////////////////	//////////////////////////
Contributions not to 50% limit organizations				
12. Add lines 1 and 2.	12		//////////////////////////	//////////////////////////
13. Multiply line 7 by 0.3. This is your 30% limit.	13		//////////////////////////	//////////////////////////
14. Subtract line 12 from line 8.	14		//////////////////////////	//////////////////////////
15. Enter the smallest of line 5, 13, or 14.	15	//////////////////////////		//////////////////////////
16. Subtract line 15 from line 5.	16	//////////////////////////	//////////////////////////	
17. Subtract line 15 from line 13.	17		//////////////////////////	//////////////////////////
Contributions of capital gain property to 50% limit organizations				
18. Enter the smallest of line 2, 11, or 13.	18	//////////////////////////		//////////////////////////
19. Subtract line 18 from line 2.	19	//////////////////////////	//////////////////////////	
20. Subtract line 15 from line 14.	20		//////////////////////////	//////////////////////////
21. Subtract line 18 from line 13.	21		//////////////////////////	//////////////////////////
Contributions of capital gain property not to 50% limit organizations				
22. Multiply line 7 by 0.2. This is your 20% limit.	22		//////////////////////////	//////////////////////////
23. Enter the smallest of line 6, 17, 20, 21, or 22.	23	//////////////////////////		//////////////////////////
24. Subtract line 23 from line 6.	24	//////////////////////////	//////////////////////////	

Step 3. Summarize your deductions and carryovers.

25. Add lines 9 and 15. Enter the total here and on Schedule A (Form 1040) on line 15 or line 16, whichever is appropriate.	25		//////////////////////////
26. Add lines 18 and 23. Enter the total here and on line 16 of Schedule A.	26		//////////////////////////
27. Add lines 10, 16, 19, and 24. Enter the total here. Carry it forward to 1995.	27	//////////////////////////	

Notes

List of Tax Publications for Individuals

General Guides

1 ...... Your Rights as a Taxpayer
17 ..... Your Federal Income Tax
225 .. Farmer's Tax Guide
334 .. Tax Guide for Small Business
509 .. Tax Calendars for 1995
553 .. Highlights of 1994 Tax Changes
910 .. Guide to Free Tax Services (Includes a list of publications)

Specialized Publications

3 ...... Tax Information for Military Personnel (Including Reservists Called to Active Duty)
54 ..... Tax Guide for U.S. Citizens and Resident Aliens Abroad
378 .. Fuel Tax Credits and Refunds
448 .. Federal Estate and Gift Taxes
463 .. Travel, Entertainment, and Gift Expenses
501 .. Exemptions, Standard Deduction, and Filing Information
502 .. Medical and Dental Expenses
503 .. Child and Dependent Care Expenses
504 .. Divorced or Separated Individuals
505 .. Tax Withholding and Estimated Tax
508 .. Educational Expenses
513 .. Tax Information for Visitors to the United States
514 .. Foreign Tax Credit for Individuals
516 .. Tax Information for U.S. Government Civilian Employees Stationed Abroad
517 .. Social Security and Other Information for Members of the Clergy and Religious Workers
519 .. U.S. Tax Guide for Aliens
520 .. Scholarships and Fellowships
521 .. Moving Expenses
523 .. Selling Your Home
524 .. Credit for the Elderly or the Disabled
525 .. Taxable and Nontaxable Income
526 .. Charitable Contributions
527 .. Residential Rental Property
529 .. Miscellaneous Deductions
530 .. Tax Information for First-Time Homeowners
531 .. Reporting Tip Income
533 .. Self-Employment Tax
534 .. Depreciation
537 .. Installment Sales
541 .. Tax Information on Partnerships
544 .. Sales and Other Dispositions of Assets
547 .. Nonbusiness Disasters, Casualties, and Thefts
550 .. Investment Income and Expenses
551 .. Basis of Assets
552 .. Recordkeeping for Individuals
554 .. Tax Information for Older Americans
555 .. Federal Tax Information on Community Property
556 .. Examination of Returns, Appeal Rights, and Claims for Refund
559 .. Survivors, Executors, and Administrators
560 .. Retirement Plans for the Self-Employed
561 .. Determining the Value of Donated Property
564 .. Mutual Fund Distributions
570 .. Tax Guide for Individuals with Income from U.S. Possessions
571 .. Tax-Sheltered Annuity Programs for Employees of Public Schools and Certain Tax-Exempt Organizations
575 .. Pension and Annuity Income (Including Simplified General Rule)
584 .. Nonbusiness Disaster, Casualty, and Theft Loss Workbook
587 .. Business Use of Your Home
590 .. Individual Retirement Arrangements (IRAs)
593 .. Tax Highlights for U.S. Citizens and Residents Going Abroad
594 .. Understanding The Collection Process
596 .. Earned Income Credit
597 .. Information on the United States-Canada Income Tax Treaty
721 .. Tax Guide to U.S. Civil Service Retirement Benefits
901 .. U.S. Tax Treaties
907 .. Tax Highlights for Persons with Disabilities
908 .. Tax Information on Bankruptcy
911 .. Tax Information for Direct Sellers
915 .. Social Security Benefits and Equivalent Railroad Retirement Benefits
917 .. Business Use of a Car
919 .. Is My Withholding Correct for 1995?
925 .. Passive Activity and At-Risk Rules
926 .. Employment Taxes for Household Employers
929 .. Tax Rules for Children and Dependents
936 .. Home Mortgage Interest Deduction
938 .. Real Estate Mortgage Investment Conduits (REMICs) Reporting Information
945 .. Tax Information for Those Affected by Operation Desert Storm
946 .. How To Begin Depreciating Your Property
947 .. Practice Before the IRS and Power of Attorney
950 .. Introduction to Estate and Gift Taxes
1244 .. Employee's Daily Record of Tips and Report to Employers
1542 .. Per Diem Rates
1544 .. Reporting Cash Payments of Over $10,000
1546 .. How to use the Problem Resolution Program of the IRS

Spanish Language Publications

1SP .. Derechos del Contribuyente
556SP .. Revisión de las Declaraciones de Impuesto, Derecho de Apelación y Reclamaciones de Reembolsos
579SP .. Cómo Preparar la Declaración de Impuesto Federal
594SP .. Comprendiendo el Proceso de Cobro
596SP .. Crédito por Ingreso del Trabajo
850 .. English–Spanish Glossary of Words and Phrases Used in Publications Issued by the Internal Revenue Service

Tax forms, publications and instructions listed on the order blank

You can get the following forms, schedules, and instructions at participating banks, post offices, or libraries.

Form 1040
Instructions for Form 1040 & Schedules
Schedule A for itemized deductions
Schedule B for interest and dividend income if over $400; and for answering the foreign accounts or foreign trusts questions
Schedule EIC for the earned income credit
Form 1040A
Instructions for Form 1040A & Schedules
Schedule 1 for Form 1040A filers to report interest and dividend income
Schedule 2 for Form 1040A filers to report child and dependent care expenses
Form 1040EZ
Instructions for Form 1040EZ

You can photocopy the items listed below (as well as those listed above) at participating libraries or order them from the IRS.

Schedule 3, Credit for the Elderly or the Disabled for Form 1040A Filers
Schedule C, Profit or Loss From Business
Schedule C-EZ, Net Profit From Business
Schedule D, Capital Gains and Losses
Schedule E, Supplemental Income and Loss
Schedule F, Profit or Loss From Farming
Schedule R, Credit for the Elderly or the Disabled
Schedule SE, Self-Employment Tax
Form 1040-ES, Estimated Tax for Individuals
Form 1040X, Amended U.S. Individual Income Tax Return
Form 2106, Employee Business Expenses
Form 2106-EZ, Unreimbursed Employee Business Expenses
Form 2119, Sale of Your Home
Form 2210, Underpayment of Estimated Tax by Individuals and Fiduciaries
Form 2441, Child and Dependent Care Expenses
Form 3903, Moving Expenses
Form 4562, Depreciation and Amortization
Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return
Form 5329, Return for Additional Taxes Attributable to Qualified Retirement Plans, Annuities, and Modified Endowment Contracts
Form 8283, Noncash Charitable Contributions
Form 8582, Passive Activity Loss Limitations
Form 8606, Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions
Form 8822, Change of Address
Form 8829, Expenses for Business Use of Your Home

How to Get IRS Forms and Publications

You can visit your local IRS office or order tax forms and publications from the IRS Forms Distribution Center listed for your state at the address on this page. Or, if you prefer, you can photocopy tax forms from reproducible copies kept at participating public libraries. In addition, many of these libraries have reference sets of IRS publications that you can read or copy.

Where To Mail Your Order Blank for Free Forms and Publications

If you live in:	Mail to:
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nevada, New Mexico, Oklahoma, Oregon, Utah, Washington, Wyoming, Guam, Northern Marianas, American Samoa	Western Area Distribution Center Rancho Cordova, CA 95743-0001
Alabama, Arkansas, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Texas, Wisconsin	Central Area Distribution Center P.O. Box 8903 Bloomington, IL 61702-8903
Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia	Eastern Area Distribution Center P.O. Box 85074 Richmond, VA 23261-5074

Other locations:

Foreign Addresses— Taxpayers with mailing addresses in foreign countries should mail this order blank to either: Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107; or Western Area Distribution Center, Rancho Cordova, CA 95743-0001, whichever is closer. Mail letter requests for other forms and publications to: Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107.

Puerto Rico—Eastern Area Distribution Center, P.O. Box 25866, Richmond, VA 23286-8107.

Virgin Islands—V.I. Bureau of Internal Revenue, Lockhart Gardens, No. 1-A Charlotte Amalie, St. Thomas, VI 00802

Detach at This Line

Order Blank

We will send you 2 copies of each form and 1 copy of each publication or set of instructions you circle. Please cut the order blank on the dotted line above and **be sure to print or type your name and address accurately on the bottom portion.**

Enclose this order blank in your own envelope and address your envelope to the IRS address shown above for your state.

To help reduce waste, please order only the forms, instructions, and publications you think you will need to prepare your return.

Use the blank spaces to order items not listed. If you need more space, attach a separate sheet of paper listing the additional forms and publications you may need.

You should either receive your order or notification of the status of your order within 7-15 work days after we receive your request.

1040	Schedule F (1040)	1040EZ	2441 & Instructions	8822 & Instructions	Pub. 505	Pub. 554	
Instructions for 1040 & Schedules	Schedule R (1040) & Instructions	Instructions for 1040EZ	3903 & Instructions	8829 & Instructions	Pub. 508	Pub. 575	
Schedules A&B (1040)	Schedule SE (1040)	1040-ES (1995) & Instructions	4562 & Instructions	Pub. 1	Pub. 521	Pub. 590	
Schedule C (1040)	1040A	1040X & Instructions	4868 & Instructions	Pub. 17	Pub. 523	Pub. 596	
Schedule C-EZ (1040)	Instructions for 1040A & Schedules	2106 & Instructions	5329 & Instructions	Pub. 334	Pub. 525	Pub. 910	
Schedule D (1040)	Schedule 1 (1040A)	2106-EZ & Instructions	8283 & Instructions	Pub. 463	Pub. 527	Pub. 917	
Schedule E (1040)	Schedule 2 (1040A)	2119 & Instructions	8582 & Instructions	Pub. 501	Pub. 529	Pub. 929	
Schedule EIC (1040A or 1040)	Schedule 3 (1040A) & Instructions	2210 & Instructions	8606 & Instructions	Pub. 502	Pub. 550	Pub. 936	

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