

Topic 506 - Charitable Contributions

Charitable contributions are deductible only if you itemize deductions on Form 1040, Schedule A (PDF).

To be deductible, charitable contributions must be made to qualified organizations. Payments to individuals are never deductible. See Publication 526, Charitable Contributions. To determine if the organization that you have contributed to qualifies as a charitable organization for income tax deductions, review Exempt Organizations Select Check on the IRS.gov website.

If your contribution entitles you to merchandise, goods, or services, including admission to a charity ball, banquet, theatrical performance, or sporting event, you can deduct only the amount that exceeds the fair market value of the benefit received.

For a contribution of cash, check, or other monetary gift (regardless of amount), you must maintain as a record of the contribution a bank record or a written communication from the qualified organization containing the name of the organization, the date of the contribution, and the amount of the contribution. In addition to deducting your cash contributions, you generally can deduct the fair market value of any other property you donate to qualified organizations. See Publication 561, Determining the Value of Donated Property. For any contribution of \$250 or more (including contributions of cash or property), you must obtain and keep in your records a contemporaneous written acknowledgment from the qualified organization indicating the amount of the cash and a description of any property contributed. The acknowledgment must say whether the organization provided any goods or services in exchange for the gift and, if so, must provide a description and a good faith estimate of the value of those goods or services. One document from the qualified organization may satisfy both the written communication requirement for monetary gifts and the contemporaneous written acknowledgment requirement for all contributions of \$250 or more.

You must fill out Form 8283 (PDF), and attach it to your return, if your deduction for a noncash contribution is more than \$500. If you claim a deduction for a contribution of noncash property worth \$5,000 or less, you must fill out Form 8283, Section A. If you claim a deduction for a contribution of noncash property worth more than \$5,000, you will need a qualified appraisal of the noncash property and must fill out Form 8283, Section B. If you claim a deduction for a contribution of noncash property worth more than \$500,000, you also will need to attach the qualified appraisal to your return.

Special rules apply to donations of certain types of property such as automobiles, inventory and investments that have appreciated in value. For more information, refer to Publication 526, Charitable Contributions. For information on determining the value of your noncash contributions, refer to Publication 561, Determining the Value of Donated Property.

More Tax Topic Categories

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SEE ALSO

Gifts & Charitable Contributions [October 21, 2014]

Question: I donated a used car to a qualified charity that the charity sold immediately after I donated it. I itemize my deductions, and I would like to take a charitable contribution deduction for the donation. Do I need to attach any special forms to my return? What records do I need to keep?

Available on the IRS' website at <http://www.irs.gov/Help-&-Resources/Tools-&-FAQs/FAQs-for-Individuals/Frequently-Asked-Tax-Questions-&-Answers/Itemized-Deductions,-Standard-Deduction/Gifts-&-Charitable-Contributions/Gifts-&-Charitable-Contributions>