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## How to claim a donation as a tax deduction

### *Certain donations are not recognized by the IRS as deductible*

**APPLETON, Wis. (Jan. 20, 2019)** – The IRS recognizes the importance of donating to charitable organizations and allows taxpayers to report certain charitable contributions as itemized deductions, but which gifts are tax deductible and what kind of records are needed to claim a deduction?

Contributions made to qualified §501(c)(3) organizations that are religious, charitable, educational, scientific, testing for public safety, or literary in purpose are deductible. It is important to verify the organization's charitable status. The easiest way to do this is to call or check its website. A receipt is needed for any donation claimed on Schedule A, even the dollar dropped into the red bucket.

Be mindful that not every donation is deductible. For example, clothing or food given directly to victims (the items must be given through a charity), political contributions, the value of time — even if the work accomplishes something a paid position would otherwise accomplish, or if time off work was taken, are all considered nondeductible contributions.

The most common contributions are cash and checks. Monetary gifts can also be made by credit card or payroll deductions. The entire amount of a monetary donation is deductible, provided that nothing of value is received in return. If a benefit is received as a result of a contribution, only the part of the contribution that is greater than the value of what you receive is deductible. Other common donations are property or out-of-pocket expenses paid to do volunteer work. If transportation costs to perform the volunteer work are incurred, the actual cost of gas and oil or the standard rate of 14 cents per mile can be deducted. Add parking and tolls to the amount claimed for either method. Clothing and household items are deductible at their current values, whereas food items are deductible at cost.

Noncash contributions require records describing any property donated and the method used to determine its value. The taxpayer is responsible for valuing the property either through appraisal or through comparison to other property. Generally, charitable organizations will only issue a receipt stating the donation was made and will not assign a value. Special rules apply for donated stock, real estate and other capital assets that would have resulted in capital gains.

This article contains general tax information for taxpayers. Each tax situation may be different, so do not rely upon this information as your sole source of authority. The [National Association of Tax Professionals \(NATP\)](#) advises working with a trusted expert who keeps current on tax law changes and is an NATP member. To learn more about NATP or to find a registered tax professional near you, visit [www.natptax.com](http://www.natptax.com).

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