

**From the desk of
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Charitable Donations

Giving is divine, but the Internal Revenue Service has a number of rules relating to obtaining a deduction for being charitable.

Qualified Charities

To obtain a deduction for a donation of any type you must donate to a qualified charity.

To be a qualified charitable organization that organization must be approved by the IRS.

To determine the status of a charity, you may go to IRS.gov and select the IRS Select Check tool.

Gifts to individuals, political organizations, or candidates are not deductible no matter how well intentioned you might have been.

To obtain a Deduction for a Donation you must Itemize Deductions

To obtain a deduction for any donations you must itemize deductions. The above the line deduction for donations expired on December 31, 2021.

Benefit in Return

Should you obtain goods or services in return for the donation you make, you are required to reduce the amount of the deduction for the fair value of the services or goods received you can only deduct the amount of your gift that is more than the value of what you got in return.

Examples of benefits include merchandise, meals, tickets to an event or other goods and services.

Type of Donation

If you donate property instead of cash your deduction amount is normally limited to the item's fair market value.

Fair market value is generally the price you would have received if you sold the property on the open market.

If your donation is used clothing, or household goods, those items must be in good condition, or better, to be deductible.

Special rules apply to cars, boats and other types of property donations.

If you what you donated amounts to \$5,000 or more, you must obtain an independent appraisal of the donated property before you can take the deduction.

Donations of \$250 or More

For any donation made in the cumulative amount that is \$250 or more for the entire year, you must have a written statement from the charitable organization the donation was made to during the year.

That statement must show the amount of the donation and a description of any property given.

It must also say whether you received any goods or services in exchange for the gift.

The charitable contribution limits depend on what kind of contribution you're making.

The limit is a percentage of your Adjusted Gross Income, those limits being:

- Cash contributions to a public charity in 2022, 2023, 2024, and 2025: 60% of AGI;
- Cash contributions to a public charity after 2025: 50% of your AGI;
- Contributions of short-term capital gain property to a public charity: Same as above;
- Cash and short-term gain contributions to a private foundation: 30% of your AGI;
- Contributions of long-term capital gain property to a public charity: 30% of your AGI;
- Contributions of long-term capital gain property to a private foundation: 20% of your AGI;

Charitable donation deductions are an itemized deduction. If you do not itemize which according to IRS statistics, approximately only 10% of taxpayers do in fact itemize their, no deduction is allowed.

It appears once again that the government has more rules than God, as he had only 10 rules, so to speak.

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

**Should you have questions relating to any tax or financial matters call at
(818) 346-2160,
or you can visit us on the web at
www.petemcpa.com!**

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and meets all the rules, regulations, and edicts as
divined by Governor Newsom, Mayor Garcetti,
and that funny looking
woman at the CDC.**

**Providing individuals, small businesses, corporations,
partnerships, professionals, and other business entities with the
necessary guidance and answers for a complex world.**