



Protecting Your Donor's Charitable Income Tax Deductions

by Louise A. Jackson

Approximately one-third of personal income tax returns filers in 2009 itemized their deductions. Individuals who itemize their deductions for federal income tax purposes must maintain certain records to substantiate the deduction. To ensure the donor's deductibility for contributions of \$250 or more, the recipient charity must provide the donor with a written acknowledgment of the contribution. In addition to being in writing, the acknowledgement must include: 1) the amount of cash contributed and 2) whether or not the charity gave the donor any goods or services in return for the contribution (other than token items and membership benefits).

A recent case was decided by the U.S. Tax Court in which the acknowledgement to the taxpayers for contributions made during 2007

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About the photo: Toledo skyline

to their church, the Nevertheless Community Church, lacked an acknowledgement which met the requirement described in 2) above. The taxpayers claimed charitable deductions in excess of \$25,000 on their 2007 federal income tax return, most of them being made to their church and documented by canceled checks. The court disallowed the deduction. So this case illustrates the importance of complying with the acknowledgment requirements.



Ms. Jackson, member, is a Northwest Ohio native with over 30 years of experience in the legal field. She practices in a number of areas, particularly those affecting governmental entities, non-profit/tax exempt organizations and small businesses.

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