

Six Facts You Should Know Before Deducting a Charitable Donation

If you gave money or goods to a charity in 2015, you may be able to claim a deduction on your federal tax return. Here are six important facts you should know about charitable donations.

1. Qualified Charities. You must donate to a qualified charity. Gifts to individuals, political organizations or candidates are not deductible. An exception to this rule is contributions under the Slain Officer Family Support Act of 2015. To check the status of a charity, use the IRS Select Check tool.

2. Itemize Deductions. To deduct your contributions, you must file Form 1040 and itemize deductions. File Schedule A, Itemized Deductions, with your federal tax return.

3. Benefit in Return. If you get something in return for your donation, you may have to reduce your deduction. 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.

4. Type of Donation. If you give 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 get if you sold the property on the open market. If you donate used clothing and household items, they generally must be in good condition, or better, to be deductible. Special rules apply to cars, boats and other types of property donations.

5. Form to File and Records to Keep. You must file Form 8283, Noncash Charitable Contributions, for all noncash gifts totaling more than \$500 for the year. If you need to prepare a Form 8283, you can prepare and e-file your tax return for free using IRS Free File. The type of records you must keep depends on the amount and type of your donation. To learn more about what records to keep see Publication 526.

6. Donations of \$250 or More. If you donated cash or goods of \$250 or more, you must have a written statement from the charity. It 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.

Each and every taxpayer has a set of fundamental rights they should be aware of when dealing with the IRS. These are your Taxpayer Bill of Rights. Explore your rights and our obligations to protect them on IRS.gov.