

U.S. Master Tax Guide (2011), 1058. Contributions by Individuals

Generally, contributions to charitable organizations are deductible, subject to certain limits. The charitable deduction for any one tax year is limited to a percentage of the individual taxpayer's contribution base, which is the taxpayer's adjusted gross income (AGI), computed without regard to any net operating loss carryback (Code Sec. 170(b)(1)(G)). [154](#) The percentage limitation is determined by two factors: the type of organization receiving the donation and the type of property donated (Code Sec. 170(b)(1)). [155](#) Any amount in excess of the percentage limitation for the tax year may be carried forward for a period of five years (¶1060) (Code Sec. 170(d)). [156](#) When spouses file a joint return, the percentage limitation depends on their aggregate contribution base (Reg. §1.170A-8(a)). [157](#) A limit also applies to the amount of a charitable deduction allowed for gifts of appreciated property (¶1062), and is imposed before applying the percentage limitation (Code Sec. 170(e); Reg. §1.170A-4). [158](#) Contributions are reported on Schedule A of Form 1040. See ¶1061 for discussion of what contributions are deductible.

Except for the carryover rule at ¶1060, a contribution is generally deductible only in the year of payment (Reg. §1.170A-1(a)). [159](#) However, contributions charged to a bank credit card are deductible in the year charged even though paid in a later year (Rev. Rul. 78-38). [160](#)

Taxpayers who are recognized by the Alaska Eskimo Whaling Commission as whaling captains can claim a charitable contribution deduction of up to \$10,000 per tax year for reasonable and necessary expenses paid in carrying out sanctioned Alaskan subsistence whale hunting activities (Code Sec. 170(n)). [161](#)

IRA Distributions. In 2010 and 2011 (as in 2006 through 2009), individuals age 70 ½ or older can distribute up to \$100,000 tax-free from their individual retirement accounts (IRAs) to certain charitable organizations without including the distribution in gross income (Code Sec. 408(d)(8), as amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Pub. L. 111-312)). To qualify, the distribution must be made directly by the trustee to a 50-percent organization (¶1059), but not to a supporting organization or a donor advised fund (¶1061), and the entire distribution must otherwise be deductible under Code Sec. 170 (disregarding the percentage limitations) even though the individual cannot claim a charitable deduction for the donation. The distribution can be delivered to the charity by the IRA owner provided that the check from the IRA is payable to the charity (Notice 2007-7). [162](#) See ¶2153G for a special rule that permits a qualified charitable distribution made in January 2011 to be treated as having been made on December 31, 2010.

Footnotes

[154](#) FED ¶11,600 INDIV: 51,250 PTE \$7,501, PTE \$7,565.05

[155](#) FED ¶11,600 INDIV: 51,256 PTE \$7,501

[156](#) FED ¶11,600 INDIV: 51,262 PTE \$7,570.05

[157](#) FED ¶11,661 INDIV: 51,252 PTE \$7,565.05

[158](#) FED ¶11,600, FED ¶11,632 INDIV: 51,200 PTE \$7,525.05, PTE \$7,565.05

[159](#) FED ¶11,615 INDIV: 51,402 PTE \$7,505.10

[160](#) FED ¶11,620.691 INDIV: 51,416 PTE \$7,505.10

[161](#) FED ¶11,600 INDIV: 51,052.55 PTE \$7,540

[162](#) FED ¶18,902, FED ¶18,922.745 RETIRE: 66,502, RETIRE: 66,758 PTE \$25,450.35