

HOW TO MAKE A TAX DEDUCTIBLE DONATION

Charitable Donations to Reduce Your Taxes:

The Internal Revenue Service reminds taxpayers that they may be able to use their gifts to TAX-EXEMPT charitable and religious groups to reduce their taxes.

Taxpayers need to keep in mind some simple steps to make sure they get the appropriate benefit for their generous donations. In particular, there are some important guidelines for donating clothing, household, or other items.

The tax benefit for charitable contributions is only available to taxpayers who itemize their deductions on Schedule A of their income tax. Those who take a standard deduction receive NO ADDITIONAL tax benefit for their contributions,

Only contributions actually made during the tax year are deductible. Those itemizing deductions reduce their taxable income by the total contributed to qualified tax exempt organizations, with some limits. The tax saving usually equals the deduction times the marginal tax rate – the top rate for the person's income.

For example, an individual with a taxable income of \$50,000 donates \$2,000 to his or her church. The tax savings from this generosity will be \$500.00- \$2,000 times the marginal tax rate of 25 percent.

Here are some guidelines for donations of household goods and clothing. These guidelines are based on information obtained from the Internal Revenue Code. As with any tax related information, AN INDIVIDUAL SHOULD ALWAYS CONSULT A TAX PROFESSIONAL TO RESOLVE QUESTIONS REGARDING THEIR PARTICULAR DONATION.

If an individual donates property they may deduct the property's fair market value at the time of the donation, subject to the statutory limitations on such donations. Fair market value is defined as the price at which the property would change hands between a willing seller and a willing buyer.

IT IS THE DONOR'S RESPONSIBILITY TO DETERMINE THE VALUE OF THE DONATED ITEM.

To be deductible, clothing and household items donated after August 17, 2006, must be in good used condition or better. However, a tax payer may claim a deduction of more than \$500.00 for any single item, regardless of its condition, if the taxpayer includes a qualified appraisal of the item. Household items include furniture, electronics, appliances and linens..

The IRS reminds taxpayers to keep appropriate records to substantiate the value of their gifts. Keep a written record that includes a description of the property and its condition.

The U.S. Internal Revenue Service requires donors to value their items . To help guide you, the following are price ranges of common items in good condition:

Women's Clothing

Dresses \$3 - \$16
Suits \$5 - \$16
Skirts \$2 - \$8
Sweaters \$2-\$8
Slacks \$2 - \$8
Outerwear \$7 - \$35
Intimate Apparel \$2 - \$6
Handbags \$2 - \$4
Accessories \$2
Shoes \$2 - \$10

Men's Clothing

Suits \$15 - \$35
Jackets \$5 - \$11
Slacks \$3 - \$11
Shirts \$2 - \$6
Outerwear \$7 - \$16
Sweaters \$2 - \$8
Accessories \$2
Shoes \$2 - \$6

Children's Clothing

Dresses \$1 - \$3
Pants \$1 - \$5
Shirts \$1 - \$5
Outerwear \$3 - \$8
Sweaters \$1 - \$5
Shoes \$1 - \$6

Housewares

Cookware \$2 - \$10
Tabletop \$1 - \$10
Pictures \$2 - \$15
Luggage \$5 - \$15

Appliances

Vacuum Cleaners \$20 - \$40

Televisions \$20 - \$100
Lamps \$5 - \$30
Stereo Systems \$25 - \$60
Radios \$5 - \$20
Coffee Pots \$10 - \$15

Computers

Systems \$100 - \$400
Printers \$25 - \$150
Monitors \$50 - \$150

Sporting Goods

Golf Clubs \$2 - \$25
Bicycles \$12 - \$60
Fishing Rods \$5 - \$25
Skates \$3 - \$15
Tennis Rackets \$3 - \$10

Furniture

Kitchen Sets \$40 - \$100
End Tables \$5 - \$20
Coffee Tables \$10 - \$25
Dresser w/Mirror \$25 - \$60
Chests \$20 - \$60
Wardrobes \$15 - \$60
China Cabinets \$40 - \$150
Trunks \$15 - \$30
Sofas \$75 - \$125
Desks \$30 - \$90