

Senate Bill Extends IRA Tax Break for Charitable Gifts
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Great News! On Friday, December 17, 2010 President Obama signed a new tax bill that would extend through 2011 a tax break for people who use money from their individual retirement accounts to donate to charity.

Individuals, age 70 ½ and older, are permitted to make tax-free, qualified charitable donations of up to \$100,000 per taxpayer per year and **may make their 2010 distribution any time during 2010 or through January of 2011.**

“For the next month, there is this unique opportunity for individuals to consider making a gift to their favorite charity”, says Carol Gilbert, Hardin County Community Endowment Foundation Chair. Most contributions to public charities qualify. And that includes your church. The caveat is that the charity must be recognized by the IRS as a 501(c)(3) organization. Essentially this means that the charity must not be organized for the benefit of any private interest or individual and is limited in the political activities it conducts

If donors do want to give IRA money to a charity, they need to follow special rules so they don't jeopardize the tax break, noted Gilbert. The money needs to go directly to the charity, but the IRA administrator can either make a direct transfer or can send the donor a check that can be delivered to the charity. Even if the check goes to the donor's home, it must be made out to the charity instead of the donor.

First, contact the charity and ask how it would like to receive the money. Then call your IRA administrator and ask what steps you'd need to take to make the contribution. You have until January 31 to make the tax-free contribution, but it's better to submit the paperwork by mid January at the latest to make sure the transaction goes smoothly.

For more information on giving to HCCEF and other tax incentives through HCCEF, contact Carol Gilbert, HCCEF Chair at 515-855-4170.

to take advantage of this or other opportunities