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“Untangling Knotty Issues Surrounding IRS Tax Deductions:  
Land Trust Responsibilities with Appraisals and Form 8283s”

Workshop Presented By:

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21 February 2019

NH Land Trust Coalition, Concord, NH

## I. Introduction

## II. Some Parameters

### A. IRS

1. “Qualified Appraisal” & “Qualified Appraiser”
2. “Qualified Conservation Contributions, Valuation of Perpetual Conservation Restrictions”
  - i. Fair Market Value of CE
  - ii. Deduction for CE with Contiguous Property
  - iii. Deduction for CE with Enhancement
3. Form 8283 “Noncash Charitable Contributions” & Instructions
4. Form 8282 “Donee Information Return”

### B. Other Appraisal Standards

1. Uniform Standards for Professional Appraisal Practice (USPAP)
2. Uniform Appraisal Standards for Federal Land Acquisitions (“Yellow Book”)

### C. Land Trust Best Practices

1. Land Trust Stds. & Practices “Practice 10: Tax Benefits and Appraisals”
2. LTA Practical Pointer, “Qualified Appraisal Checklist”
3. Forest Society Handouts “Claiming an Income Tax Deduction for Your Full or Partial Gift of Conservation Easement” & “Claiming...Gift of Land”
4. Forest Society’s “Checklist for Reviewing IRS Qualified Appraisal & Form 8283”

**10:30—START OF 30 MIN. BREAK**

## III. Illustrative Scenarios

### A. CE With Contiguous Property

1. Scenario #1: Obvious Adjacency
2. Scenario #2: Other Forms of Contiguous Ownership

3. Is It “Contiguous Property”? (Scenarios #3-5)

**B. Enhancement**

1. Scenario #6: Obvious Enhancement
2. Scenario #7: Enhancement Where Only “Contiguous Property”
3. Scenario #8: Enhancement With “Contiguous Property” AND Other Enhanced Property

**C. Is Continued Status Quo of Not Appraising FMV for CE w/ Contig. Property OK?**

**D. Who Needs What Type of Appraisal When?**

1. Land Trust’s Purchase of CE
2. Landowner’s IRS Qualified Appraisal

**E. Land Trust Responsibilities for Reviewing IRS Appraisal**

**F. Land Trust Responsibilities for Reviewing Form 8283**

**G. Other Issues/Situations**

1. Co-Donors, or Donor as Entity w/ Multiple Parties
2. Donor Claims Deduction of \$5,000
3. Landowner’s Advisors Less Informed Than You—What to Do?
4. Upcoming Tool--Revised “Conserving Your Land”
5. Current IRS Issues/Concerns

**IV. Conclusion & Take-Home Messages**

- A. Take-Home Messages
- B. Reminder: Sign up sheet for digital versions

**12:30—END OF WORKSHOP, START OF INFORMAL BROWNBAG**



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21 February 2019

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## I. Introduction (TAH)

**10:00**

- Introductions
- Handouts, sign-up sheet for digital versions
- Overview of agenda
- Focus: CE’s, & process for claiming ded. (not CE itself, except for current issues if time permits at end)
- Advanced level—won’t be covering basics
- Ask questions along the way

## II. Some Parameters (TAH)

**10:05**

### A. IRS (TNM)

1. “Qualified Appraisal” & “Qualified Appraiser,” Treas. Regs. 1.170A-17(a)(1) & 17(b)(1) (5) **HANDOUT #1—EXCERPTS FROM IRS BULLETIN 2018-33, AUG. 13, 2018**
2. “Qualified Conservation Contributions, Valuation of Perpetual Conservation Restrictions” Treas. Regs. 1.170A-14(h)(3)(i) **HANDOUT #2—IRS REGS.**

#### i. Fair Market Value of CE

“If no substantial record of market-place sales is available to use as a meaningful or valid comparison, as a general rule (but not necessarily in all cases) the *fair market value* of a perpetual conservation restriction is equal to the difference between the fair market value of the property it encumbers before the granting of the restriction and the fair market value of the encumbered property after the granting of the restriction.”

#### ii. Deduction for CE with Contiguous Property

“The **amount of the deduction** in the case of a charitable contribution of a perpetual conservation restriction covering a portion of the contiguous property owned by a donor and the donor’s family (as defined in section 267(c)(4)) is the difference between the fair market value of the entire contiguous parcel of property before and after the granting of the restriction.”

- Definition of “Donor’s Family” (IRC Sect. 267(c)(4))  
“... brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.”
- “donor **and** the donor’s family” appears to be unintended...practical interpretation instead is “donor **or** the donor’s family”

iii. Deduction for CE with Enhancement

“If the granting of a perpetual conservation restriction after January 14, 1986, has the effect of increasing the value of any other property owned by the donor or a related person, the **amount of the deduction** for the conservation contribution shall be reduced by the amount of the increase in value of the other property, whether or not such property is contiguous.”

- Definition of “Related Persons” (IRC Sect. 267(b))  
Consists of “Donor’s family” plus others with defined ties to a trust, estate, or corporation, plus others with defined ties to a partnership per Sect. 707(b)  
**HANDOUT #3—LTA PRACTICAL POINTER “APPRAISAL RULES FOR CONSERVATION EASEMENTS” BY STEVE SMALL**

3. Form 8283 “Noncash Charitable Contributions” & Instructions **HANDOUT #4**

4. Form 8282 “Donee Information Return”

- i. If Donee “disposes” of any property interest w/in 3 yrs after receiving it as a gift, Donee must file 8282 w/ IRS & Donor
- ii. Conservative interpretation of “disposes” suggests reading as “conveys,” to include any type of transfer, not just a sale
- iii. Applies only to property recvd. as gift *for which Form 8283 was filed*

**B. Other Appraisal Standards (GL)**

**10:25**

1. Uniform Standards for Professional Appraisal Practice (USPAP)
2. Uniform Appraisal Standards for Federal Land Acquisitions (“Yellow Book”)



### C. Land Trust Best Practices (TAH)

**10:45**

1. Land Trust Stds. & Practices “Practice 10: Tax Benefits and Appraisals” **HANDOUT #5**
  - i. Notifications to landowner, IRS Forms 8283 & 8282, appraisals, & avoiding fraudulent transactions
  - ii. Annotations for differences with IRS or clarifications
2. LTA Practical Pointer, “Qualified Appraisal Checklist” **HANDOUT #6**
3. Forest Society Handouts “Claiming an Income Tax Deduction for Your Full or Partial Gift of Conservation Easement” & “Claiming...Gift of Land” **HANDOUTS #7 & 8**
4. Forest Society’s “Checklist for Reviewing IRS Qualified Appraisal & Form 8283” **HANDOUT #9**
  - i. Designed to meet more stringent of IRS & LTA stds. (e.g. info to appear on 8283 for Donee to be able to sign)
  - ii. Includes items not *reqd.* of land trusts—develop your own document!

### III. Illustrative Scenarios (see PowerPoint) (TAH)

**11:05**

#### A. CE With Contiguous Property

1. Scenario #1: Obvious Adjacency
  - i. What’s the assignment...FMV vs. deduction amnt. for CE?
  - ii. Completion of 8283 “FMV of property”
  - iii. Early disclosure of Landowner’s other properties
    - Land trust assistance in providing info
    - May require title research to confirm
    - Utility of “point person” for appraiser
  - iv. Establishing Landowner’s expectations about appraisal cost

**11:15—BREAK**

2. Scenario #2: Other Forms of Contiguous Ownership (TNM)

**11:45**

- i. Undivided, fractional interest
- ii. Who’s “Donor’s Family”

3. Is It “Contiguous Property”? (TNM)
  - i. Scenario #3: Property across road
  - ii. Scenario #4: Property across waterbody
  - iii. Scenario #5: Property contiguous to contiguous property

**B. Enhancement (TAH)**

**11:55**

1. Scenario #6: Obvious Enhancement
  - i. How far afield from CE does enhancement apply? (GL)
  - ii. Who does the math to calculate final deduction amount? (GL)
  - iii. Who’s a “Related Person”? (TNM)
2. Scenario #7: Enhancement Where Only “Contiguous Property” (same slide per #1) (GL)
  - i. Is enhancement consideration/calculation already covered?
3. Scenario #8: Enhancement With “Contiguous Property” AND Other Enhanced Property (TAH)

**C. Is Continued Status Quo of Not Appraising FMV for CE w/ Contig. Property OK?**

**12:05 (TAH)**

**D. Who Needs What Type of Appraisal When? (TAH)**

**12:10**

1. Land Trust’s Purchase of CE
  - i. Preliminary Appraisal—which appraisal stds., esp. if anticipated contiguous property or enhancement?
  - ii. Final Appraisal—stds. dictated by funders’ requirements
  - iii. Purchase & Sale Agreement/Option w/ final price determined by future appraisal—be clear!
2. Landowner’s IRS Qualified Appraisal
  - i. If Land Trust got preliminary appraisal (barg. sale), appraiser *may* ask Land Trust’s permission to work for another client on same property
    - Appraiser may have concerns (GL)
  - ii. If Landowner wants *before* closing... (TAH)
    - Ask Landowner early on about appraisal timing
    - Inventory of contiguous/nearby properties needed early on
    - Potentially major stresses on appraiser & Land Trust, esp. if year-end

**E. Land Trust Responsibilities for Reviewing IRS Appraisal (TAH)**

**12:20** (See **HANDOUT #9, “FOREST SOCIETY CHECKLIST...”**)

1. Ask what action Land Trust should take if there’s a problem with each item in list

**F. Land Trust Responsibilities for Reviewing Form 8283 (TAH)**

**12:27** (See **HANDOUT #9, “FOREST SOCIETY CHECKLIST...”**)

1. Ask what action Land Trust should take if there’s a problem with each item in list

**G. Other Issues/Situations (TNM)**

**12:35**

1. Co-Donors, or Donor as Entity w/ Multiple Parties
  - Discount FMV for undivided, fractional interest? (GL)
2. Donor Claims Deduction of \$5,000 (TAH)
  - Potential donation worth > \$5k, but not worth appraisal cost to claim *full amnt.*
3. Landowner’s Advisors Less Informed Than You—What to Do?
4. Upcoming Tool--Revised “Conserving Your Land”
  - i. Designed for easy updating, downloading, & printing
  - ii. More detailed tax benefits section online
5. Current IRS Issues/Concerns (TNM)

**IV. Conclusion & Take-Home Messages (TNM)**

**12:40**

**A. Take-Home Messages**

1. Promote transparency & consistency between Form 8283 & IRS appraisal
2. Help all parties identify contiguous or other properties early in process
3. Establish your own checklist for reviewing appraisals & 8283s
4. Avoid giving legal/financial advice, know when to defer to Landowner
5. Be thorough, careful, & respectful—stakes are high!

**B. Reminder: Sign up sheet for digital versions**

**12:45—END OF WORKSHOP, START OF INFORMAL BROWNBAG**

**Handouts**

Short Agenda

Detailed Agenda/Outline w/ talking points

Numbered handouts:

1. Excerpts from IRS Bulletin 2018-33, Aug. 13, 2018, re “Qualified Appraisal,” “Qualified Appraiser,” and other substantiation rules
2. “Qualified Conservation Contributions, Valuation of Perpetual Conservation Restrictions” Treas. Regs. 1.170A-14(h)(3)(i)
3. LTA Practical Pointer, “Appraisal Rules for Conservation Easements” by Steve Small
4. IRS Form 8283 “Noncash Charitable Contributions” & Instructions
5. LTA’s Land Trust Standards & Practices, “Practice 10: Tax Benefits and Appraisals”
6. LTA Practical Pointer, “Qualified Appraisal Checklist”
7. Forest Society’s “Claiming an Income Tax Deduction for Your Full or Partial Gift of Conservation Easement”
8. Forest Society’s “Claiming an Income Tax Deduction for Your Full or Partial Gift of Land”
9. Forest Society’s “Checklist for Reviewing IRS Qualified Appraisal & Form 8283” PowerPoint Presentation, Illustrative Scenarios #1-8

take into account only the excess of the amount claimed as a deduction over the amount that would have been treated as the cost of goods sold if the donor had sold the contributed property to the donee.

(B) *Example.* The following example illustrates the rule of this paragraph (f)(5)(iii):

*Example.* X Corporation makes a contribution of inventory described in section 1221(a)(2). The contribution, described in section 170(e)(3), is for the care of the needy. The cost of the property to X Corporation is \$5,000 and the fair market value of the property at the time of the contribution is \$11,000. Pursuant to section 170(e)(3)(B), X Corporation claims a charitable contribution deduction of \$8,000 ( $\$5,000 + 1/2 \times (\$11,000 - 5,000) = \$8,000$ ). The amount taken into account for purposes of determining the \$5,000 threshold of paragraph (d) of this section is \$3,000 ( $\$8,000 - \$5,000$ ).

(g) *Effective/applicability date.* This section applies to contributions made after July 30, 2018. Taxpayers may rely on the rules of this section for contributions made after June 3, 2004, or appraisals prepared for returns or submissions filed after August 17, 2006.

Par. 7. Section 1.170A-17 is added to read as follows:

**§ 1.170A-17 Qualified appraisal and qualified appraiser.**

(a) *Qualified appraisal—(1) Definition.* For purposes of section 170(f)(11) and § 1.170A-16(d)(1)(ii) and (e)(1)(ii), the term *qualified appraisal* means an appraisal document that is prepared by a qualified appraiser (as defined in paragraph (b)(1) of this section) in accordance with generally accepted appraisal standards (as defined in paragraph (a)(2) of this section) and otherwise complies with the requirements of this paragraph (a).

(2) *Generally accepted appraisal standards defined.* For purposes of paragraph (a)(1) of this section, *generally accepted appraisal standards* means the substance and principles of the Uniform Standards of Professional Appraisal Practice, as developed by the Appraisal Standards Board of the Appraisal Foundation.

(3) *Contents of qualified appraisal.* A qualified appraisal must include—

(i) The following information about the contributed property:

(A) A description in sufficient detail under the circumstances, taking into account the value of the property, for a person who is not generally familiar with the type of property to ascertain that the appraised property is the contributed property.

(B) In the case of real property or tangible personal property, the condition of the property.

(C) The valuation effective date, as defined in paragraph (a)(5)(i) of this section.



**(D) The fair market value, within the meaning of § 1.170A-1(c)(2), of the contributed property on the valuation effective date;**

(ii) The terms of any agreement or understanding by or on behalf of the donor and donee that relates to the use, sale, or other disposition of the contributed property, including, for example, the terms of any agreement or understanding that—

(A) Restricts temporarily or permanently a donee's right to use or dispose of the contributed property;

(B) Reserves to, or confers upon, anyone, other than a donee or an organization participating with a donee in cooperative fundraising, any right to the income from the contributed property or to the possession of the property, including the right to vote contributed securities, to acquire the property by purchase or otherwise, or to designate the person having income, possession, or right to acquire; or

(C) Earmarks contributed property for a particular use;

(iii) The date, or expected date, of the contribution to the donee;

(iv) The following information about the appraiser:

(A) Name, address, and taxpayer identification number.

(B) Qualifications to value the type of property being valued, including the appraiser's education and experience.

(C) If the appraiser is acting in his or her capacity as a partner in a partnership, an employee of any person, whether an individual, corporation, or partnership, or an independent contractor engaged by a person other than the donor, the name, address, and taxpayer identification number of the partnership or the person who employs or engages the qualified appraiser;

(v) The signature of the appraiser and the date signed by the appraiser (appraisal report date);

(vi) The following declaration by the appraiser: "I understand that my appraisal will be used in connection with a return or claim for refund. I also understand that, if there is a substantial or gross valuation misstatement of the value of the property claimed on the return or claim for refund that is based on my appraisal, I may be subject to a penalty under section 6695A of the Internal Revenue Code, as well as other applicable penalties. I affirm that I have not been at any time in the three-year period ending on the date of the appraisal barred from presenting evidence or testimony before the Department of the Treasury or the Internal Revenue Service pursuant to 31 U.S.C. section 330(c)";

(vii) A statement that the appraisal was prepared for income tax purposes;

(viii) The method of valuation used to determine the fair market value, such as the income approach, the market-data approach, or the replacement-cost-less-depreciation approach; and

(ix) The specific basis for the valuation, such as specific comparable sales transactions or statistical sampling, including a justification for using sampling and an explanation of the sampling procedure employed.

(4) *Timely appraisal report.* A qualified appraisal must be signed and dated by the qualified appraiser no earlier than 60 days before the date of the contribution and no later than—

(i) The due date, including extensions, of the return on which the deduction for the contribution is first claimed;

(ii) In the case of a donor that is a partnership or S corporation, the due date, including extensions, of the return on which the deduction for the contribution is first reported; or

(iii) In the case of a deduction first claimed on an amended return, the date on which the amended return is filed.

(5) *Valuation effective date—(i) Definition.* The *valuation effective date* is the date to which the value opinion applies.

(ii) *Timely valuation effective date.* For an appraisal report dated before the date of the contribution, as described in § 1.170A-1(b), the valuation effective date must be no earlier than 60 days before the date of the contribution and no later than the date of the contribution. For an appraisal report dated on or after the date of the contribution, the valuation effective date must be the date of the contribution.

(6) *Exclusion for donor knowledge of falsity.* An appraisal is not a qualified appraisal for a particular contribution, even if the requirements of this paragraph (a) are met, if the donor either failed to disclose or misrepresented facts, and a reasonable person would expect that this failure or misrepresentation would cause the appraiser to misstate the value of the contributed property.

(7) *Number of appraisals required.* A donor must obtain a separate qualified appraisal for each item of property for which an appraisal is required under section 170(f)(11)(C) and (D) and paragraph (d) or (e) of § 1.170A-16 and that is not included in a group of similar items of property, as defined in § 1.170A-13(c)(7)(iii). For rules regarding the number of appraisals required if similar items of property are contributed, see section 170(f)(11)(F) and § 1.170A-13(c)(3)(iv)(A).

(8) *Time of receipt of qualified appraisal.* The qualified appraisal must be received by the donor before the due date, including extensions, of the return on which a deduction is first claimed, or reported in the case of a donor that is a partnership or S corporation, under section 170 with respect to the donated property, or, in the case of a deduction first claimed, or reported, on an amended return, the date on which the return is filed.



## § 1.170A-14

## 26 CFR Ch. I (4-1-11 Edition)

from the conversion without regard to the terms of the prior perpetual conservation restriction.

(h) *Valuation—(1) Entire interest of donor other than qualified mineral interest.* The value of the contribution under section 170 in the case of a contribution of a taxpayer's entire interest in property other than a qualified mineral interest is the fair market value of the surface rights in the property contributed. The value of the contribution shall be computed without regard to the mineral rights. See paragraph (h)(4), *example (1)*, of this section.

(2) *Remainder interest in real property.* In the case of a contribution of any remainder interest in real property, section 170(f)(4) provides that in determining the value of such interest for purposes of section 170, depreciation and depletion of such property shall be taken into account. See § 1.170A-12. In the case of the contribution of a remainder interest for conservation purposes, the current fair market value of the property (against which the limitations of § 1.170A-12 are applied) must take into account any pre-existing or contemporaneously recorded rights limiting, for conservation purposes, the use to which the subject property may be put.

(3) *Perpetual conservation restriction—(i) In general.* The value of the contribution under section 170 in the case of a charitable contribution of a perpetual conservation restriction is the fair market value of the perpetual conservation restriction at the time of the contribution. See § 1.170A-7(c). If there is a substantial record of sales of easements comparable to the donated easement (such as purchases pursuant to a governmental program), the fair market value of the donated easement is based on the sales prices of such comparable easements. If no substantial record of market-place sales is available to use as a meaningful or valid comparison, as a general rule (but not necessarily in all cases) the fair market value of a perpetual conservation restriction is equal to the difference between the fair market value of the property it encumbers before the granting of the restriction and the fair market value of the encumbered property after the granting of the restric-

tion. The amount of the deduction in the case of a charitable contribution of a perpetual conservation restriction covering a portion of the contiguous property owned by a donor and the donor's family (as defined in section 267(c)(4)) is the difference between the fair market value of the entire contiguous parcel of property before and after the granting of the restriction. If the granting of a perpetual conservation restriction after January 14, 1986, has the effect of increasing the value of any other property owned by the donor or a related person, the amount of the deduction for the conservation contribution shall be reduced by the amount of the increase in the value of the other property, whether or not such property is contiguous. If, as a result of the donation of a perpetual conservation restriction, the donor or a related person receives, or can reasonably expect to receive, financial or economic benefits that are greater than those that will inure to the general public from the transfer, no deduction is allowable under this section. However, if the donor or a related person receives, or can reasonably expect to receive, a financial or economic benefit that is substantial, but it is clearly shown that the benefit is less than the amount of the transfer, then a deduction under this section is allowable for the excess of the amount transferred over the amount of the financial or economic benefit received or reasonably expected to be received by the donor or the related person. For purposes of this paragraph (h)(3)(i), related person shall have the same meaning as in either section 267(b) or section 707(b). (See *Example 10* of paragraph (h)(4) of this section.)

(ii) *Fair market value of property before and after restriction.* If before and after valuation is used, the fair market value of the property before contribution of the conservation restriction must take into account not only the current use of the property but also an objective assessment of how immediate or remote the likelihood is that the property, absent the restriction, would in fact be developed, as well as any effect from zoning, conservation, or historic preservation laws that already restrict the property's potential highest





### **Practical Pointer Series**

#### **Appraisal Rules for Conservation Easements**

What follows is from the Treasury Regulations under Section 170(h).

**(3) Perpetual conservation restriction [I have inserted numbers 1-4 in bold below; they do not appear in the text of the regulation]**

**(1) In general.**

The value of the contribution under section 170 in the case of a charitable contribution of a perpetual conservation restriction is the fair market value of the perpetual conservation restriction at the time of the contribution. See section 1.170A-7(c). **(1)** If there is a substantial record of sales of easements comparable to the donated easement (such as purchases pursuant to a governmental program), the fair market value of the donated easement is based on the sales prices of such comparable easements. **(2)** If no substantial record of market-place sales is available to use as a meaningful or valid comparison, as a general rule (but not necessarily in all cases) the fair market value of a perpetual conservation restriction is equal to the difference between the fair market value of the property it encumbers before the granting of the restriction and the fair market value of the encumbered property after the granting of the restriction. **(3)** The amount of the deduction in the case of a charitable contribution of a perpetual conservation restriction covering a portion of the contiguous property owned by a donor and the donor's family (as defined in section 267(c)(4)) is the difference between the fair market value of the entire contiguous parcel of property before and after the granting of the restriction. **(4)** If the granting of a perpetual conservation restriction after January 14, 1986, has the effect of increasing the value of any other property owned by the donor or a related person, the amount of the deduction for the conservation contribution shall be reduced by the amount of the increase in the value of the other property, whether or not such property is contiguous. If, as a result of the donation of a perpetual conservation restriction, the donor or a related person receives, or can reasonably expect to receive, financial or economic benefits that are greater than those that will inure to the general public from the transfer, no deduction is allowable under this section. However, if the donor or a

related person receives, or can reasonably expect to receive, a financial or economic benefit that is substantial, but it is clearly shown that the benefit is less than the amount of the transfer, then a deduction under this section is allowable for the excess of the amount transferred over the amount of the financial or economic benefit received or reasonably expected to be received by the donor or the related person. For purposes of this paragraph (h)(3)(i), related person shall have the same meaning as in either section 267(b) or section 707(b). (See example (10) of paragraph (h)(4) of this section.)

**Here is section 267(c)(4) of the tax code:**

(4) The family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants;

**Here is section 267(b):**

(b) Relationships **(i.e. "Related Persons")**

The persons referred to in subsection (a) are:

- (1) Members of a family, as defined in subsection (c)(4);
- (2) An individual and a corporation more than 50 percent in value of the outstanding stock of which is owned, directly or indirectly, by or for such individual;
- (3) Two corporations which are members of the same controlled group (as defined in subsection (f));
- (4) A grantor and a fiduciary of any trust;
- (5) A fiduciary of a trust and a fiduciary of another trust, if the same person is a grantor of both trusts;
- (6) A fiduciary of a trust and a beneficiary of such trust;
- (7) A fiduciary of a trust and a beneficiary of another trust, if the same person is a grantor of both trusts;
- (8) A fiduciary of a trust and a corporation more than 50 percent in value of the outstanding stock of which is owned, directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;

- (9) A person and an organization to which section 501 (relating to certain educational and charitable organizations which are exempt from tax) applies and which is controlled directly or indirectly by such person or (if such person is an individual) by members of the family of such individual;
- (10) A corporation and a partnership if the same persons own--
- (A) more than 50 percent in value of the outstanding stock of the corporation, and
  - (B) more than 50 percent of the capital interest, or the profits interest, in the partnership;
- (11) An S corporation and another S corporation if the same persons own more than 50 percent in value of the outstanding stock of each corporation;
- (12) An S corporation and a C corporation, if the same persons own more than 50 percent in value of the outstanding stock of each corporation; or
- (13) Except in the case of a sale or exchange in satisfaction of a pecuniary bequest, an executor of an estate and a beneficiary of such estate.

**Here is section 707(b):**

**(b) Certain sales or exchanges of property with respect to controlled partnerships**

**(1) Losses disallowed**

No deduction shall be allowed in respect of losses from sales or exchanges of property (other than an interest in the partnership), directly or indirectly, between-

- (A) a partnership and a person owning, directly or indirectly, more than 50 percent of the capital interest, or the profits interest, in such partnership, or
- (B) two partnerships in which the same persons own, directly or indirectly, more than 50 percent of the capital interests or profits interests.

In the case of a subsequent sale or exchange by a transferee described in this paragraph, section 267(d) shall be applicable as if the loss were disallowed under section 267(a)(1). For purposes of section 267(a)(2), partnerships described in subparagraph (B) of this paragraph shall be treated as persons specified in section 267(b).

**(2) Gains treated as ordinary income**

In the case of a sale or exchange, directly or indirectly, of property, which in the hands of the transferee, is property other than a capital asset as defined in section 1221--

(A) between a partnership and a person owning, directly or indirectly, more than 50 percent of the capital interest, or profits interest, in such partnership, or

(B) between two partnerships in which the same persons own, directly or indirectly, more than 50 percent of the capital interests or profits interests, any gain recognized shall be considered as ordinary income.

(3) Ownership of a capital or profits interest

For purposes of paragraphs (1) and (2) of this subsection, the ownership of a capital or profits interest in a partnership shall be determined in accordance with the rules for constructive ownership of stock provided in section 267(c) other than paragraph (3) of such section.

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### Noncash Charitable Contributions

▶ Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.

▶ Information about Form 8283 and its separate instructions is at [www.irs.gov/form8283](http://www.irs.gov/form8283).

OMB No. 1545-0908

Attachment Sequence No. **155**

Name(s) shown on your income tax return

Identifying number

**Note.** Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

**Section A. Donated Property of \$5,000 or Less and Publicly Traded Securities**—List in this section only items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also list publicly traded securities even if the deduction is more than \$5,000 (see instructions).

**Part I Information on Donated Property**—If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) If donated property is a vehicle (see Instructions), check the box. Also enter the vehicle identification number (unless Form 1098-C is attached).	(c) Description of donated property (For a vehicle, enter the year, make, model, and mileage. For securities, enter the company name and the number of shares.)
A		<input type="checkbox"/>	
B		<input type="checkbox"/>	
C		<input type="checkbox"/>	
D		<input type="checkbox"/>	
E		<input type="checkbox"/>	

**Note.** If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (e), (f), and (g).

	(d) Date of the contribution	(e) Date acquired by donor (mo., yr.)	(f) How acquired by donor	(g) Donor's cost or adjusted basis	(h) Fair market value (see Instructions)	(i) Method used to determine the fair market value
A						
B						
C						
D						
E						

**Part II Partial Interests and Restricted Use Property**—Complete lines 2a through 2e if you gave less than an entire interest in a property listed in Part I. Complete lines 3a through 3c if conditions were placed on a contribution listed in Part I; also attach the required statement (see instructions).

**2a** Enter the letter from Part I that identifies the property for which you gave less than an entire interest ▶ \_\_\_\_\_  
If Part II applies to more than one property, attach a separate statement.

**b** Total amount claimed as a deduction for the property listed in Part I: **(1)** For this tax year ▶ \_\_\_\_\_  
**(2)** For any prior tax years ▶ \_\_\_\_\_

**c** Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):  
Name of charitable organization (donee) \_\_\_\_\_

Address (number, street, and room or suite no.) \_\_\_\_\_

City or town, state, and ZIP code \_\_\_\_\_

**d** For tangible property, enter the place where the property is located or kept ▶ \_\_\_\_\_

**e** Name of any person, other than the donee organization, having actual possession of the property ▶ \_\_\_\_\_

	Yes	No
<b>3a</b> Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property? . . . . .		
<b>b</b> Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire? . . . . .		
<b>c</b> Is there a restriction limiting the donated property for a particular use? . . . . .		



Name(s) shown on your income tax return

Identifying number

**Section B. Donated Property Over \$5,000 (Except Publicly Traded Securities)**—Complete this section for one item (or one group of similar items) for which you claimed a deduction of more than \$5,000 per item or group (except contributions of publicly traded securities reported in Section A). Provide a separate form for each property donated unless it is part of a group of similar items. An appraisal is generally required for property listed in Section B. See instructions.

**Part I Information on Donated Property**—To be completed by the taxpayer and/or the appraiser.

4 Check the box that describes the type of property donated:

- a  Art\* (contribution of \$20,000 or more)
- b  Qualified Conservation Contribution
- c  Equipment
- d  Art\* (contribution of less than \$20,000)
- e  Other Real Estate
- f  Securities
- g  Collectibles\*\*
- h  Intellectual Property
- i  Vehicles
- j  Other

\*Art includes paintings, sculptures, watercolors, prints, drawings, ceramics, antiques, decorative arts, textiles, carpets, silver, rare manuscripts, historical memorabilia, and other similar objects.

\*\*Collectibles include coins, stamps, books, gems, jewelry, sports memorabilia, dolls, etc., but not art as defined above.

Note. In certain cases, you must attach a qualified appraisal of the property. See instructions.

5	(a) Description of donated property (if you need more space, attach a separate statement)	(b) If tangible property was donated, give a brief summary of the overall physical condition of the property at the time of the gift	(c) Appraised fair market value
A		N/A	
B	<b>(for personal property only)</b>		
C			
D			

  

	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) For bargain sales, enter amount received	(h) Amount claimed as a deduction	(i) Date of contribution
A						
B	<b>SPECIFY FOR CE VS. FEE</b>				N/A	N/A
C						
D						

**Part II Taxpayer (Donor) Statement**—List each item included in Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Part I and describe the specific item. See instructions. ▶ \_\_\_\_\_

Signature of taxpayer (donor) ▶ \_\_\_\_\_

Date ▶ \_\_\_\_\_

**Part III Declaration of Appraiser**

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this Form 8283 may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). In addition, I understand that I may be subject to a penalty under section 6695A if I know, or reasonably should know, that my appraisal is to be used in connection with a return or claim for refund and a substantial or gross valuation misstatement results from my appraisal. I affirm that I have not been barred from presenting evidence or testimony by the Office of Professional Responsibility.

Sign

Here Signature ▶ \_\_\_\_\_

Title ▶ \_\_\_\_\_

Date ▶ \_\_\_\_\_

Business address (including room or suite no.) \_\_\_\_\_

Identifying number \_\_\_\_\_

City or town, state, and ZIP code \_\_\_\_\_

**Part IV Donee Acknowledgment**—To be completed by the charitable organization.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on the following date ▶ \_\_\_\_\_

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 3 years after the date of receipt, it will file Form 8282, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use? (N/A, for personal property only) ▶  Yes  No

Name of charitable organization (donee)	Employer identification number
Address (number, street, and room or suite no.)	City or town, state, and ZIP code
Authorized signature	Title
	Date



# Instructions for Form 8283

(Rev. December 2014)

## Noncash Charitable Contributions

Section references are to the Internal Revenue Code unless otherwise noted.

### General Instructions

#### Future Developments

Information about any future developments affecting Form 8283 (such as legislation enacted after we release it) will be posted at [www.irs.gov/form8283](http://www.irs.gov/form8283).

#### Purpose of Form

Use Form 8283 to report information about noncash charitable contributions.

Do not use Form 8283 to report out-of-pocket expenses for volunteer work or amounts you gave by check or credit card. Treat these items as cash contributions. Also, do not use Form 8283 to figure your charitable contribution deduction. For details on how to figure the amount of the deduction, see your tax return instructions and Pub. 526, Charitable Contributions.

#### Who Must File

You must file Form 8283 if the amount of your deduction for all noncash gifts is more than \$500. For this purpose, "amount of your deduction" means your deduction before applying any income limits that could result in a carryover. The carryover rules are explained in Pub. 526. Make any required reductions to fair market value (FMV) before you determine if you must file Form 8283. See *Fair Market Value (FMV)*, later.

Form 8283 is filed by individuals, partnerships, and corporations.

**C corporations.** C corporations, other than personal service corporations and closely held corporations, must file Form 8283 only if the amount claimed as a deduction is more than \$5,000.

**Partnerships and S corporations.** A partnership or S corporation that claims a deduction for noncash gifts of more than \$500 must file Form 8283 with Form 1065, 1065-B, or 1120S.

If the total deduction for any item or group of similar items is more than \$5,000, the partnership or S corporation must complete Section B of Form 8283 even if the amount allocated to each partner or shareholder is \$5,000 or less.

The partnership or S corporation must give a completed copy of Form 8283 to each partner or shareholder receiving an allocation of the contribution deduction shown in Section B of the Form 8283 of the partnership or S corporation.

**Partners and shareholders.** The partnership or S corporation will provide information about your share of the contribution on your Schedule K-1 (Form 1065 or

1120S). If you received a copy of Form 8283 from the partnership or S corporation, attach a copy to your tax return. Use the amount shown on your Schedule K-1, not the amount shown on the Form 8283, to figure your deduction.

If the partnership or S corporation is not required to give you a copy of its Form 8283, combine the amount of noncash contributions shown on your Schedule K-1 with your other noncash contributions to see if you must file Form 8283. If you need to file Form 8283, you do not have to complete all the information requested in Section A for your share of the partnership's or S corporation's contributions. Complete only column (h) of line 1 with your share of the contribution and enter "From Schedule K-1 (Form 1065 or 1120S)" across columns (d)-(g).

#### When To File

File Form 8283 with your tax return for the year you contribute the property and first claim a deduction.

#### Which Sections To Complete

Form 8283 has two sections. If you must file Form 8283, you may have to complete Section A, Section B, or both, depending on the type of property donated and the amount claimed as a deduction.

Use Section A to report donations of property for which you claimed a deduction of \$5,000 or less per item or group of similar items (defined later). Also use Section A to report donations of publicly traded securities. Use Section B to report donations of property for which you claimed a deduction of more than \$5,000 per item or group of similar items.

In figuring whether your deduction for a group of similar items was more than \$5,000, consider all items in the group, even if items in the group were donated to more than one donee organization. However, you must file a separate Form 8283, Section B, for each donee organization.

**Example.** You claimed a deduction of \$2,000 for books you gave to College A, \$2,500 for books you gave to College B, and \$900 for books you gave to College C. You must report these donations in Section B because the total deduction was more than \$5,000. You must file a separate Form 8283, Section B, for the donation to each of the three colleges.

**Section A.** Include in Section A only the following items.

1. Items (or groups of similar items as defined later) for which you claimed a deduction of \$5,000 or less per item (or group of similar items).
2. The following publicly traded securities even if the deduction is more than \$5,000:
  - a. Securities listed on an exchange in which quotations are published daily,



b. Securities regularly traded in national or regional over-the-counter markets for which published quotations are available, or

c. Securities that are shares of a mutual fund for which quotations are published on a daily basis in a newspaper of general circulation throughout the United States.

**Section B.** Include in Section B only items (or groups of similar items) for which you claimed a deduction of more than \$5,000. Do not include publicly traded securities reportable in Section A. With certain exceptions, items reportable in Section B require a written appraisal by a qualified appraiser. You must file a separate Form 8283, Section B, for each donee organization and each item of property (or group of similar items).

### Similar Items of Property

Similar items of property are items of the same generic category or type, such as coin collections, paintings, books, clothing, jewelry, nonpublicly traded stock, land, or buildings.

**Example.** You claimed a deduction of \$400 for clothing, \$7,000 for publicly traded securities (quotations published daily), and \$6,000 for a collection of 15 books (\$400 each). Report the clothing and securities in Section A and the books (a group of similar items) in Section B.

### Special Rule for Certain C Corporations

A special rule applies for deductions taken by certain C corporations under section 170(e)(3) or (4) for certain contributions of inventory or scientific equipment.

To determine if you must file Form 8283 or which section to complete, use the difference between the amount you claimed as a deduction and the amount you would have claimed as cost of goods sold (COGS) had you sold the property instead. This rule is only for purposes of Form 8283. It does not change the amount or method of figuring your contribution deduction.

If you do not have to file Form 8283 because of this rule, you must attach a statement to your tax return (similar to the one in the example below). Also, attach a statement if you must complete Section A, instead of Section B, because of this rule.

**Example.** You donated clothing from your inventory for the care of the needy. The clothing cost you \$5,000 and your claimed charitable deduction is \$8,000. Complete Section A instead of Section B because the difference between the amount you claimed as a charitable deduction and the amount that would have been your COGS deduction is \$3,000 (\$8,000 – \$5,000). Attach a statement to Form 8283 similar to the following:

#### Form 8283—Inventory

Contribution deduction	\$8,000
COGS (if sold, not donated)	– 5,000
For Form 8283 filing purposes	=\$3,000

### Fair Market Value (FMV)

Although the amount of your deduction determines if you have to file Form 8283, you also need to have information about the FMV of your contribution to complete the form.

FMV is the price a willing, knowledgeable buyer would pay a willing, knowledgeable seller when neither has to buy or sell.

You may not always be able to deduct the FMV of your contribution. Depending on the type of property donated, you may have to reduce the FMV to figure the deductible amount, as explained next.

**Reductions to FMV.** The amount of the reduction (if any) depends on whether the property is ordinary income property or capital gain property. Attach a statement to your tax return showing how you figured the reduction.

**Ordinary income property.** Ordinary income property is property that would result in ordinary income or short-term capital gain if it were sold at its FMV on the date it was contributed. Examples of ordinary income property are inventory, works of art created by the donor, and capital assets held for 1 year or less. The deduction for a gift of ordinary income property is limited to the FMV minus the amount that would be ordinary income or short-term capital gain if the property were sold.

**Capital gain property.** Capital gain property is property that would result in long-term capital gain if it were sold at its FMV on the date it was contributed. For purposes of figuring your charitable contribution, capital gain property also includes certain real property and depreciable property used in your trade or business and, generally, held more than 1 year. However, to the extent of any gain from the property that must be recaptured as ordinary income under section 1245, section 1250, or any other Code provision, the property is treated as ordinary income property.

You usually may deduct gifts of capital gain property at their FMV. However, you must reduce the FMV by the amount of any appreciation if any of the following apply.

- The capital gain property is contributed to certain private nonoperating foundations. This rule does not apply to qualified appreciated stock.
- You choose the 50% limit instead of the special 30% limit for capital gain property.
- The contributed property is intellectual property (as defined later).
- The contributed property is certain taxidermy property.
- The contributed property is tangible personal property that is put to an unrelated use (as defined in Pub. 526) by the charity.
- The contributed property is certain tangible personal property with a claimed value of more than \$5,000 and is sold, exchanged, or otherwise disposed of by the charity during the year in which you made the contribution, and the charity has not made the required certification of exempt use (such as on Form 8282, Part IV).

**Qualified conservation contribution.** A qualified conservation contribution is a donation of a qualified real property interest, such as an easement, exclusively for certain conservation purposes. The donee must be a qualified organization as defined in section 170(h)(3) and must have the resources to be able to monitor and



enforce the conservation easement or other conservation restrictions. To enable the organization to do this, you must give it documents, such as maps and photographs, that establish the condition of the property at the time of the gift.

If the donation has no material effect on the real property's FMV, or enhances rather than reduces its FMV, no deduction is allowable. For example, little or no deduction may be allowed if the property's use is already restricted, such as by zoning or other law or contract, and the donation does not further restrict how the property can be used.

The FMV of a conservation easement cannot be determined by applying a standard percentage to the FMV of the underlying property. The best evidence of the FMV of an easement is the sales price of a comparable easement. If there are no comparable sales, the before and after method may be used.

Attach a statement that:

- Identifies the conservation purposes furthered by your donation,
- Shows, if before and after valuation is used, the FMV of the underlying property before and after the gift,
- States whether you made the donation in order to get a permit or other approval from a local or other governing authority and whether the donation was required by a contract, and
- If you or a related person has any interest in other property nearby, describes that interest.

If an appraisal is required, it must include the method of valuation (such as the income approach or the market data approach) and the specific basis for the valuation (such as specific comparable sales transactions).

**Easements on buildings in historic districts.** You cannot claim a deduction for this type of contribution unless the contributed interest includes restrictions preserving the entire exterior of the building (including front, sides, rear, and height) and prohibiting any change to the exterior of the building inconsistent with its historical character. If you claim a deduction for this type of contribution, you must include with your return:

- A signed copy of a qualified appraisal,
- Photographs of the entire exterior of the building, and
- A description of all restrictions on the development of the building. The description of the restrictions can be made by attaching a copy of the easement deed.

If you donate this type of property and claim a deduction of more than \$10,000, your deduction will not be allowed unless you pay a \$500 filing fee. See Form 8283-V and its instructions.

For more information about qualified conservation contributions, see Pub. 526 and Pub. 561, Determining the Value of Donated Property. Also see section 170(h), Regulations section 1.170A-14, and Notice 2004-41. Notice 2004-41, 2004-28 I.R.B. 31, is available at [www.irs.gov/irb/2004-28\\_IRB/ar09.html](http://www.irs.gov/irb/2004-28_IRB/ar09.html).

**Intellectual property.** The FMV of intellectual property must be reduced to figure the amount of your deduction, as explained earlier. Intellectual property means a patent, copyright (other than a copyright described in section 1221(a)(3) or 1231(b)(1)(C)), trademark, trade name,

trade secret, know-how, software (other than software described in section 197(e)(3)(A)(i)), or similar property, or applications or registrations of such property.

However, you may be able to claim additional charitable contribution deductions in the year of the contribution and later years based on a percentage of the donee's net income, if any, from the property. The amount of the donee's net income from the property will be reported to you on Form 8899, Notice of Income From Donated Intellectual Property. See Pub. 526 for details.

**Clothing and household items.** The FMV of used household items and clothing is usually much lower than when new. A good measure of value might be the price that buyers of these used items actually pay in consignment or thrift shops. You can also review classified ads in the newspaper or on the Internet to see what similar products sell for.

You cannot claim a deduction for clothing or household items you donate unless the clothing or household items are in good used condition or better. However, you can claim a deduction for a contribution of an item of clothing or household item that is not in good used condition or better if you deduct more than \$500 for it and include a qualified appraisal of it with your return.

### Qualified Vehicle Donations

A qualified vehicle is any motor vehicle manufactured primarily for use on public streets, roads, and highways; a boat; or an airplane. However, property held by the donor primarily for sale to customers, such as inventory of a car dealer, is not a qualified vehicle.

If you donate a qualified vehicle with a claimed value of more than \$500, you cannot claim a deduction unless you attach to your return a copy of the contemporaneous written acknowledgment you received from the donee organization. The donee organization may use Copy B of Form 1098-C as the acknowledgment. An acknowledgment is considered contemporaneous if the donee organization furnishes it to you no later than 30 days after the:

- Date of the sale, if the donee organization sold the vehicle in an arm's length transaction to an unrelated party, or
- Date of the contribution, if the donee organization will not sell the vehicle before completion of a material improvement or significant intervening use, or the donee organization will give or sell the vehicle to a needy individual for a price significantly below FMV to directly further the organization's charitable purpose of relieving the poor and distressed or underprivileged who need a means of transportation.

For a donated vehicle with a claimed value of more than \$500, you can deduct the smaller of the vehicle's FMV on the date of the contribution or the gross proceeds received from the sale of the vehicle, unless an exception applies as explained below. Form 1098-C (or other acknowledgment) will show the gross proceeds from the sale if no exception applies. If the FMV of the vehicle was more than your cost or other basis, you may have to

reduce the FMV to figure the deductible amount, as described under *Reductions to FMV*, earlier.

If any of the following exceptions apply, your deduction is not limited to the gross proceeds received from the sale. Instead, you generally can deduct the vehicle's FMV on the date of the contribution if the donee organization:

- Makes a significant intervening use of the vehicle before transferring it,
- Makes a material improvement to the vehicle before transferring it, or
- Gives or sells the vehicle to a needy individual for a price significantly below FMV to directly further the organization's charitable purpose of relieving the poor and distressed or underprivileged who need a means of transportation.

Form 1098-C (or other acknowledgment) will show if any of these exceptions apply. If the FMV of the vehicle was more than your cost or other basis, you may have to reduce the FMV to figure the deductible amount, as described under *Reductions to FMV*, earlier.

**Determining FMV.** A used car guide may be a good starting point for finding the FMV of your vehicle. These guides, published by commercial firms and trade organizations, contain vehicle sale prices for recent model years. The guides are sometimes available from public libraries or from a loan officer at a bank, credit union, or finance company. You can also find used car pricing information on the Internet.

An acceptable measure of the FMV of a donated vehicle is an amount not in excess of the price listed in a used vehicle pricing guide for a private party sale of a similar vehicle. However, the FMV may be less than that amount if the vehicle has engine trouble, body damage, high mileage, or any type of excessive wear. The FMV of a donated vehicle is the same as the price listed in a used vehicle pricing guide for a private party sale only if the guide lists a sales price for a vehicle that is the same make, model, and year, sold in the same area, in the same condition, with the same or similar options or accessories, and with the same or similar warranties as the donated vehicle.

**Example.** Neal donates his car, which he bought new in 2008 for \$20,000. A used vehicle pricing guide shows the FMV for his car is \$9,000. Neal receives a Form 1098-C showing the car was sold for \$7,000. Neal can deduct \$7,000 and must attach Form 1098-C to his return.

**More information.** For details, see Pub. 526 or Notice 2005-44. Notice 2005-44, 2005-25 I.R.B. 1287, is available at [www.irs.gov/irb/2005-25\\_IRB/ar09.html](http://www.irs.gov/irb/2005-25_IRB/ar09.html).

### Additional Information

You may want to see Pub. 526 and Pub. 561. If you contributed depreciable property, see Pub. 544, Sales and Other Disposition of Assets.

## Specific Instructions

**Identifying number.** Individuals must enter their social security number. All other filers should enter their employer identification number.

## Section A

### Part I, Information on Donated Property

#### Line 1

**Column (b).** Check the box if the donated property is a qualified vehicle (defined earlier). If you are not attaching Form 1098-C (or other acknowledgment) to your return, enter the vehicle identification number (VIN) in the spaces provided below the checkbox.

You can find the VIN on the vehicle registration, the title, the proof of insurance, or the vehicle itself. Generally, the VIN is 17 characters made up of numbers and letters.

If the VIN has fewer than 17 characters, enter a zero in each of the remaining entry spaces to the left of the VIN. For example, if the VIN is "555555X555555," enter "0000555555X555555."

**Column (c).** Describe the property in sufficient detail. The greater the value of the property, the more detail you must provide. For example, a personal computer should be described in more detail than pots and pans.

If the donated property is a vehicle, give the year, make, model, condition, and mileage at the time of the donation (for example, "1963 Studebaker Lark, fair condition, 135,000 miles") regardless of whether you attach a Form 1098-C or other acknowledgment. If you do not know the actual mileage, use a good faith estimate based on car repair records or similar evidence.

For securities, include the following:

- Company name,
- Number of shares,
- Kind of security,
- Whether a share of a mutual fund, and
- Whether regularly traded on a stock exchange or in an over-the-counter market.

**Column (d).** Enter the date you contributed the property. If you made contributions on various dates, enter each contribution and its date on a separate row.

**Note.** If the amount you claimed as a deduction for the item is \$500 or less, you do not have to complete columns (e), (f), and (g).

**Column (e).** Enter the approximate date you acquired the property. If it was created, produced, or manufactured by or for you, enter the date it was substantially completed.

If you are donating a group of similar items and you acquired the items on various dates (but have held all the items for at least 12 months), you can enter "Various."

**Column (f).** State how you acquired the property. This could be by purchase, gift, inheritance, or exchange.



**Column (g).** Do not complete this column for property held at least 12 months or publicly traded securities. Keep records on cost or other basis.

**Note.** If you have reasonable cause for not providing the information in columns (e) and (g), attach an explanation.

**Column (h).** Enter the FMV of the property on the date you donated it. You must attach a statement if:

- You were required to reduce the FMV to figure the amount of your deduction, or
- You gave a qualified conservation contribution for which you claimed a deduction of \$5,000 or less.

See *Fair Market Value (FMV)*, earlier, for the type of statement to attach.

**Column (i).** Enter the method(s) you used to determine the FMV.

Examples of entries to make include "Appraisal," "Thrift shop value" (for clothing or household items), "Catalog" (for stamp or coin collections), or "Comparable sales" (for real estate and other kinds of assets). See Pub. 561.

## Part II, Partial Interests and Restricted Use Property

If Part II applies to more than one property, attach a separate statement. Give the required information for each property separately. Identify which property listed in Part I the information relates to.

### Lines 2a Through 2e

Complete lines 2a–2e only if you contributed less than the entire interest in the donated property during the tax year and claimed a deduction for it of \$5,000 or less. On line 2b, enter the amount claimed as a deduction for this tax year and in any prior tax years for gifts of a partial interest in the same property.

### Lines 3a Through 3c

Complete lines 3a–3c only if you attached restrictions to the right to the income, use, or disposition of the donated property. An example of a "restricted use" is furniture that you gave only to be used in the reading room of an organization's library. Attach a statement explaining (1) the terms of any agreement or understanding regarding the restriction, and (2) whether the property is designated for a particular use.

## Section B

Include in Section B only items (or groups of similar items) for which you claimed a deduction of more than \$5,000. File a separate Form 8283, Section B, for:

- Each donee, and
- Each item of property, except for an item that is part of a group of similar items.

### Part I, Information on Donated Property

You must get a written appraisal from a qualified appraiser before completing Part I. However, see *Exceptions*, below.

Generally, you do not need to attach the appraisals to your return but you should keep them for your records. But see *Art valued at \$20,000 or more, Clothing and household items not in good used condition, Easements on buildings in historic districts, and Deduction of more than \$500,000*, later.

**Exceptions.** You do not need a written appraisal if the property is:

1. Nonpublicly traded stock of \$10,000 or less,
2. A vehicle (including a car, boat, or airplane) if your deduction for the vehicle is limited to the gross proceeds from its sale,
3. Intellectual property (as defined earlier),
4. Certain securities considered to have market quotations readily available (see Regulations section 1.170A-13(c)(7)(xi)(B)),
5. Inventory and other property donated by a corporation that are "qualified contributions" for the care of the ill, the needy, or infants, within the meaning of section 170(e)(3)(A), or
6. Stock in trade, inventory, or property held primarily for sale to customers in the ordinary course of your trade or business.

Although a written appraisal is not required for the types of property just listed, you must provide certain information in Part I of Section B (see *Line 5*) and have the donee organization complete Part IV.

**Art valued at \$20,000 or more.** If your total deduction for art is \$20,000 or more, you must attach a complete copy of the signed appraisal. For individual objects valued at \$20,000 or more, a photograph must be provided upon request. The photograph must be of sufficient quality and size (preferably an 8 x 10 inch color photograph or a color transparency no smaller than 4 x 5 inches) to fully show the object.

**Clothing and household items not in good used condition.** You must include with your return a qualified appraisal of any single item of clothing or any household item that is not in good used condition or better for which you deduct more than \$500. The appraisal is required whether the donation is reportable in Section A or Section B. See *Clothing and household items*, earlier.

**Easements on buildings in historic districts.** If you claim a deduction for a qualified conservation contribution of an easement on the exterior of a building in a registered historic district, you must include a signed copy of a qualified appraisal, photographs, and certain other information with your return. See *Easements on buildings in historic districts*, under *Fair Market Value (FMV)*, earlier.

**Deduction of more than \$500,000.** If you claim a deduction of more than \$500,000 for an item (or group of similar items) donated to one or more donees, you must attach a signed copy of a qualified appraisal of the property to your return unless an exception applies. See *Exceptions*, earlier.