

NON-CASH DONATIONS OVER \$5000

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This past tax season, I had several discussions with clients who wanted to claim a deduction of over \$5000 in non-cash donations. It appears that there is much confusion in this area.

Generally, except for gifts of publicly traded securities, if the claimed deduction for an item or a group of similar items of donated property is more than \$5000, you must get a qualified appraisal and you must attach a signed Section B of Form 8283 to your tax return (form 1040).

There are two items that I wish to expand upon:

- First, if you donate similar items throughout the year to charities that total over \$5000, you must get an appraisal of all the similar items. The IRS considers all household items and clothing to be “similar items”. So, if you make several donations of clothing and household items throughout the year that individually are less than \$5000 but when added together, total more than \$5000, you would need to get an appraisal of all the similar donations.
- Second, an appraisal by itself is not enough. The qualified appraiser (which can’t be from the organization receiving the property) must sign Section B of Form 8283. If, for example, you gave your book collection to three different charities and the gifts to each was valued at \$2000, the appraiser must sign three forms 8283 since the donations of the similar property was over \$5000 in total.



There is a much more detailed explanation of valuing gifts in IRS Publication 561. Your Conner Ash Account Manager or [Brian Hantsbarger](#), Partner, Tax and Business Services, are available for a more in-depth discussion. Contact us at (314) 205-2510 or contact Brian via email at bhants@connerash.com.