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### 10 Simple Rules For Tax-Wise Gifts To Charity

Tax rates go up in 2013, but that doesn't mean you'll get more from charitable contributions. Charities hope this year-end will be a big one. Here are some tips to help plan:

1. You can't deduct charitable contributions unless you itemize on [Schedule A](#) to your Form 1040. You can only deduct up to 50% of your adjusted gross income for most charitable contributions (30% in some cases), and there may be additional limitations on your ability to deduct contributions.
2. Make sure your chosen organization qualifies. You can't deduct contributions to individuals, political organizations or candidates. The IRS maintains a list of all charities. To check whether particular organizations are on the IRS list, click [here](#).
3. You can't deduct the value of your time or services. This is so even if you bill by the hour and donate many hours of otherwise billable time to charity.



A woman(R) makes a donation into a Salvation Army kettle outside a Giant grocery store November 24, 2012, in Clifton, Virginia. (Image credit: AFP/Getty Images via @daylife)

4. If your donations entitle you to merchandise, goods or services, you can only deduct the amount exceeding the fair market value of the benefits you received. If you pay \$500 for a charity dinner ticket but receive a dinner worth \$100, you can deduct \$400, not the full \$500.
5. Donations of stock or other property are usually valued at fair market value. But there are special rules for donations of vehicles. See [Key Facts About Donating Cars To Charity](#).
6. Clothing and household items must generally be in good used condition or better to be deductible.
7. Cash contributions without any record don't cut it. You must maintain a bank record, payroll deduction record or written communication from the organization with its name, the date and amount of your contribution. See [Need A Tax Receipt?](#) For text message donations, your telephone bill will suffice if it shows the name of the organization, the date and amount of the contribution.
8. Cash contributions of \$250 and up must be supported by a statement by the charity showing whether the charity provided any goods or services in exchange for the gift. If you donate property worth \$250 or more you must also retain a statement by the charity describing the property and its value.
9. If your non-cash contributions for the year exceed \$500, you must complete IRS [Form 8283](#), Non-cash Charitable Contributions, and attach it to your return. See the IRS [Instructions](#).
10. If you donate property (or a group of similar items) worth more than \$5,000, you must also complete Section B of [Form 8283](#) which requires a "qualified appraiser" meeting IRS criteria. Be sure to allow time for these formalities.

For these and other charitable contribution rules, see IRS [Publication 526](#), Charitable Contributions. If you want the IRS's take on valuation of noncash items, see IRS [Publication 561](#), Determining the Value of Donated Property.

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