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THE TAX LAWYER

Mar. 8 2011 — 8:33 am

Need A Tax Receipt?

So you're doing your tax return but don't have a receipt? Diehard Seinfeld fans may remember that in "[The Truth](#)," Episode 19, aired Sept. 25, 1991, the IRS questioned Jerry about a \$50 charitable contribution to the people of Krakatoa. In fact, the IRS normally doesn't require as much substantiation of charitable donations less than \$250, so Jerry's check or bank statement would have sufficed. For more about Seinfeld and taxes, see [Omnipresent Seinfeld Episodes Contain Ample Clues About Tax Policy](#).

More generally of course, receipts are critical. But if you can't find one, remember the Cohan Rule, emanating from [Cohan v. Commissioner](#). [George M. Cohan](#) was an early Broadway pioneer, authoring such hits as "Give My Regards to Broadway" and "Yankee Doodle Boy." His [statue](#) still commands Times Square. But the IRS disallowed Cohan's travel and entertainment expenses for lack of receipts.

He took the IRS to the Board of Tax Appeals, predecessor to today's U.S. Tax Court. Receipts being the stock in trade of the tax system, it upheld the IRS. Cohan appealed to the Second Circuit, which in 1930 rocked the IRS back on its heels with the Cohan Rule. To this day, it is as an exception to stringent IRS recordkeeping requirements, allowing taxpayers to prove by "other credible evidence" they actually incurred deductible expenses.

The Cohan Rule often doesn't impress the IRS and doesn't always work in court. It is most classically applied to travel and entertainment, but could apply to virtually any item not specifically subject to heightened substantiation requirements (such as certain travel and meal expenses, passenger automobiles, computers and cell phones).

If the IRS is convinced by oral or written statements or other supporting evidence and a reasonable approximation can be made, you may be entitled to the expense despite your lack of documentation. Even charitable contributions have been allowed under the Cohan Rule, though not where there are special strict [substantiation requirements](#). Those rules require you to have a receipt even for small cash donations, including \$20 put in the collection plate on Sunday and (for donations of more than \$250) a contemporaneous written acknowledgement from the charity before filing your tax return.

For more about the Cohan Rule, see [What If A Taxpayer Doesn't Have Receipts?](#)

Want a Receipt from the IRS? This isn't for the faint of heart, but you could try asking the IRS for a receipt too! After all, just how *is* your tax money being spent? It might be easier to ask if the [The Taxpayer Receipt Act of 2011](#) passes. Introduced by Senators Scott Brown (R-MA) and Bill Nelson (D-FL), its passage would mean every taxpayer filing an income tax return would receive an itemized receipt from the IRS.

Like a grocery store receipt it would list where your payroll and income taxes are spent. It would include key categories such as interest on the national debt, Social Security, Medicare, Medicaid, national defense, education, veterans' benefits, environmental protection, foreign aid, and Congress.

It doesn't seem that the Cohan Rule would apply to the IRS, but who knows?

For more see:

[Senators Introduce 'Taxpayer Receipt' Law](#)

[Taxpayer Receipt: Show Us the Numbers](#)

[Senators Introduce Bill That Would Provide Detailed Tax Receipt](#)

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