



Know the Rules for Taking Tax Deductions

by Rick Rodgers

<https://rodgers-associates.com>

You are probably aware that donations made to a church are tax deductible – provided you follow the rules. You need to itemize deductions in order to deduct your donations. The standard deduction in 2015 is \$6,300 for single filers and \$12,600 for joint. Your total deductions (including charitable donations) will need to exceed these limits to be able to itemize. Charitable donations are listed on Schedule A (lines 16, 17, and 18) as follows:

- Line 16: add all of the cash donations you made to the church throughout the year. Make sure you have records of all cash donations, even if they were under \$250.
- Line 17: add the value of any non-cash donations that you made, such as household goods, cars, or stock. You must fill out Form 8283 when the total value of those items exceeds \$500. The form provides specifics about the kind of property donated and the value of those items.
- Line 18: This is where you would carry over any amount of donations you were not able to deduct in the prior year due to income limitations.

The sum of the amount on all three lines is your charitable donation deduction for the year.

Cash donations of \$250 or more at a time require a receipt from the organization. A canceled check or other documentation is all you need for smaller donations. Regular weekly donations don't require a receipt even if the total is eventually far greater than \$250. However, most churches provide a summary of donations at the end of year for your records. Keep these records with your personal tax paperwork – you don't need to send the receipts to the IRS.

If you do volunteer work for the church and used a personal vehicle or took public transportation solely for volunteering, you can deduct mileage or the cost of your public transportation. The mileage you can deduct for tax year 2015 is 14 cents per mile, and you can also deduct tolls and parking fees. Keep a log of the date, mileage and purpose of the trip.

Any other items you purchase for the church while you are volunteering are considered a donation. However, the value of your personal time is not tax deductible.

Charitable donations help you support your church and reduce your tax bill at the same time. The rules can be complicated, but it's worth your time to know what you're entitled to deduct and get your maximum refund. Keep good records throughout the year to make sure nothing gets missed at tax time.

Rick Rodgers, CFP®, CRPC®
Certified Retirement Counselor
Rodgers & Associates, President

