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## **Haiti Relief Donations Qualify for Immediate Tax Relief**

People who give to charities providing earthquake relief in Haiti can claim these donations on the tax return they are completing this season, according to the Internal Revenue Service. Taxpayers who itemize deductions on their 2009 return qualify for this special tax relief provision, enacted January 22<sup>nd</sup>. Only cash contributions made to these charities after January 11<sup>th</sup>, 2010, and before March 1<sup>st</sup>, 2010, are eligible. This includes contributions made by text message, check, credit card or debit card.

“Americans have opened their hearts to help those affected by the Haiti earthquake,” said IRS Commissioner Doug Shulman. “This new law provides an immediate tax benefit for the many taxpayers who have made generous donations.”

Taxpayers can benefit from their donations, almost immediately, by filing their 2009 returns early, filing electronically and choosing direct deposit. Refunds take as few as ten days and can be directly deposited into a savings, checking or brokerage account, or used to purchase Series I U.S. savings bonds.

The new law only applies to cash (as opposed to property) contributions. The contributions must be made specifically for the relief of victims in areas affected by the January 12<sup>th</sup>, earthquake in Haiti. Taxpayers have the option of deducting these contributions on either their 2009 or 2010 returns, but not both. To get a tax benefit, taxpayers must itemize their deductions on Schedule A. Those who claim the standard deduction, including all short-form filers, are not eligible.

Taxpayers should be sure their contributions go to qualified charities. Most organizations eligible to receive tax-deductible donations are listed in a searchable online database available on IRS.gov under Search for Charities. Some organizations, such as churches or governments, may be qualified even though they are not listed on IRS.gov. Donors can find out more about organizations helping Haitian earthquake victims from agencies such as USAID.

The IRS reminds donors that contributions to foreign organizations generally are not deductible. IRS Publication 526, Charitable Contributions, provides information on making contributions to charities.

Federal law requires that taxpayers keep a record of any deductible donations they make. For donations by text message, a telephone bill will meet the recordkeeping requirement if it shows the name of the organization, the date of the contribution and the amount of the contribution. For cash contributions made by other means, be sure to keep a bank record, such as a cancelled check, or a receipt from the charity showing the name of the charity and the date and amount of the contribution. Publication 526 has further details on the recordkeeping rules for cash contributions.

This year's special Haiti relief provision is modeled on a 2005 law that, in the wake of the December 26<sup>th</sup>, 2004, Indian Ocean tsunami, allowed taxpayers to deduct donations they made during January 2005 as if they made the donations in 2004.