Office hours:
Mon-Thurs 8:30-5:00
Friday 8:30-3:00
P: 651-772-2202
F: 651-774-5965
frontdesk@tenforty.com

Charitable donations made from a traditional IRA can save taxes

If you are 70 1/2 or older you can transfer up to $100,000 yearly from IRAs directly to charity. This qualified charitable distribution (QCD) can count as a required minimum distribution but is not taxable and is not added to your adjusted gross income.

Remember, however, the money must go directly to a charitable organization. A transfer to a donor-advised fund, a charitable gift annuity, charitable remainder trust and any other life-income or split-interest gift arrangement is not treated as a QCD.

Gwizdala & Associates, Inc. 4519 Allendale Drive
White Bear Twp, MN 55127

Fall Newsletter 2019

We hope you have enjoyed a wonderful summer. Fall is here and with it, yellow buses full of school children, books and backpacks; sweaters and football games, crisp apples fresh from the orchards, and pumpkin spice everything. With all the fun activities, don't forget to include a fall tax check-up. We'll try to make it fun, too! Wise tax planning now can minimize large unexpected payouts in the spring while maximizing potential deductions. A growing number of our clients have made this consultation an annual event, and tell us it helps them feel more informed and in control of their finances.

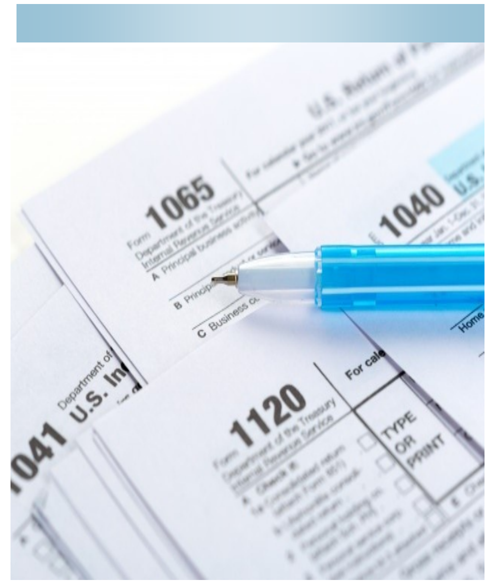
Can I deduct my donations to a "go-fund-me" site that helped someone with medical bills?

There are many touching stories with compelling financial needs that pop up on our Facebook page, appear in our email inboxes, or grab our attention via a posted flyer at a local establishment we frequent:

- The family with a mountain of medical debt from caring for their small child with a rare and devastating disease.
- The couple who lost their home and all their possessions in a terrible fire.
- The mother with three young children whose husband died in a tragic car accident.

All worthy causes. Just be aware that only gifts you make to a 501(c)(3) organization can be deducted. So donations to individuals and to many personal fund-raising websites are not tax deductible. Call us if you have any questions about this!

New IRS Impersonation Email Scam



The IRS is warning taxpayers about a new impersonation scam campaign spreading nationally on email. The subject line varies but often includes phrases that sound legitimate , such as “Automatic Income Tax Reminder” or “Electronic Tax Return Reminder”. The emails have links that show a convincing IRS.gov-like website with details pretending to be about the taxpayer’s refund or electronic return. The email contains a “temporary” or “one-time” password to access your files. But when you do that, your computer is infected with malware which can gain control of your computer and secretly download software that tracks every keystroke, providing them access to your passwords to sensitive accounts and other confidential private information.

The IRS has made progress in their efforts to fight stolen identity refund fraud. But new scams appear regularly. Remember the IRS does not initiate contact with taxpayers by email, text messages or social media.

“This latest [email] scheme is yet another reminder that tax scams are a year-round business for thieves. We urge you to be on-guard at all times.”

IRS Commissioner Chuck Rettig, August 2019

Thinking about donating to charity the right to use your vacation home?

Charities such as schools and churches often use such places as prizes for dinners, galas, and auctions which they sponsor to raise funds for their activities. You don’t get a charitable write-off for this donation, though, because you gave only a partial interest in the property. Nor is there any deduction for the winning bidder, unless s/he paid more for the winning bid than what the vacation home prize is worth.

Also know that if you rent out the vacation property, the time used by the winning bidder counts as personal use by you [which means you can’t deduct rental realty losses if personal use tops the greater of 14 days or 10% of days rented.]

Strict Requirements for Proof of Cash Charitable Contributions

For cash contributions of less than $250, the taxpayer must have one of the following:

- A bank record such as a canceled check, bank statement, or credit card statement
- A receipt with date, contribution amount, and organization name
- Payroll records and a pledge card, if made by payroll deduction

For cash contributions of $250 or more, the taxpayer must obtain written acknowledgement from the charitable organization that shows the following:

- Date and amount of contribution
- Whether any goods or services other than intangible religious benefits were provided by the organization (including a good faith estimate of the value)
- A statement that the only benefit the taxpayer received was an intangible religious benefit (if applicable)