

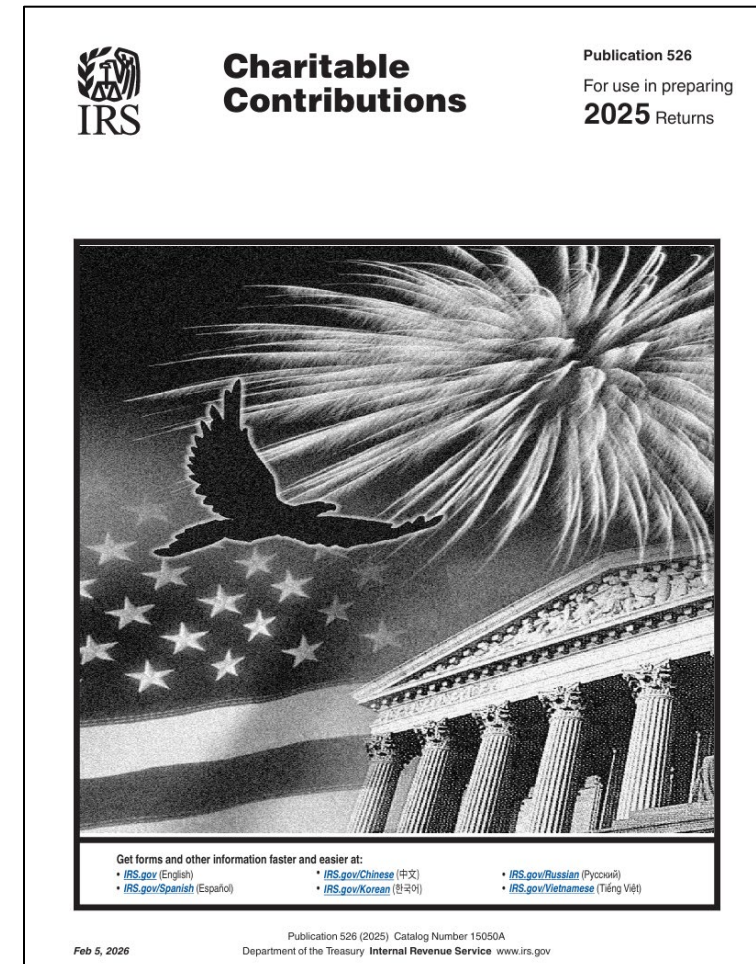


Charitable Contributions

Dan O'Rourke | Individual Income Tax Policy Supervisor

What is a Qualified Charitable Contribution?

- Governed by federal law
- IRS Publication 526
- Minnesota follows federal determination for income tax purposes



Federal and Minnesota Differences

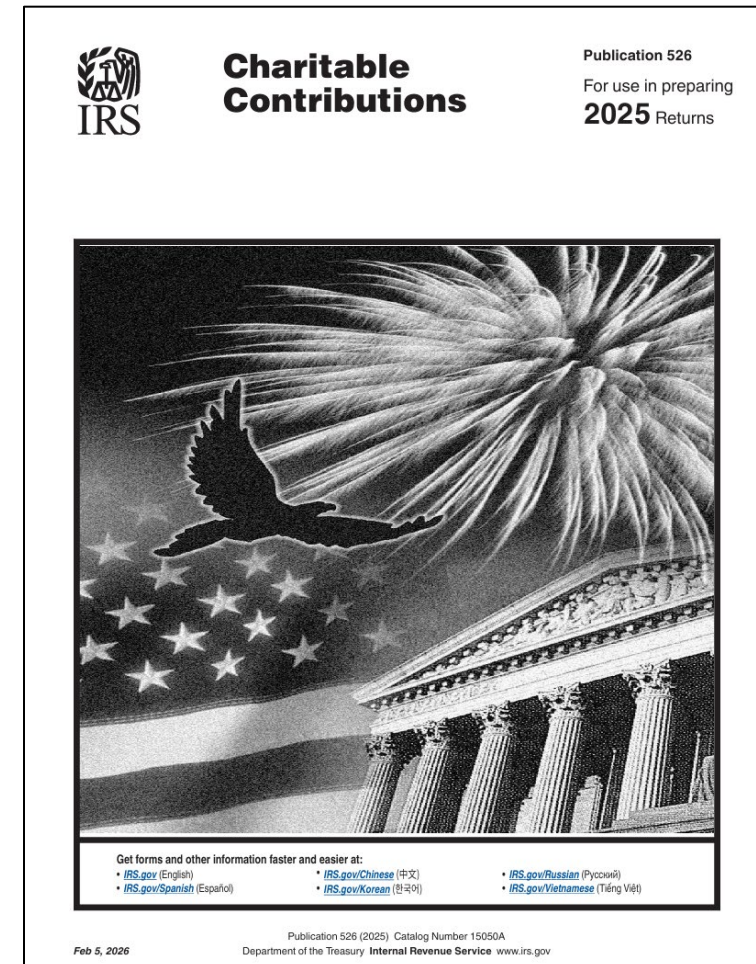
Differences between Federal return and Minnesota return

- Effective for tax year 2026 and forward
- Federal Deduction
 - Contributions in excess of 0.5% of Adjusted Gross Income
- Minnesota Deduction
 - Contributions in excess of 1% of Adjusted Gross Income

Qualified Charitable Organizations

Examples in IRS Publication 526

- Religious organizations
- Boys and Girls Clubs of America, Girl Scouts, Boy Scouts, Red Cross, Salvation Army, and United Way
- Veterans' groups
- Nonprofit hospitals and medical research organizations
- Nonprofit educational organizations
- **Federal, state, and local governments**

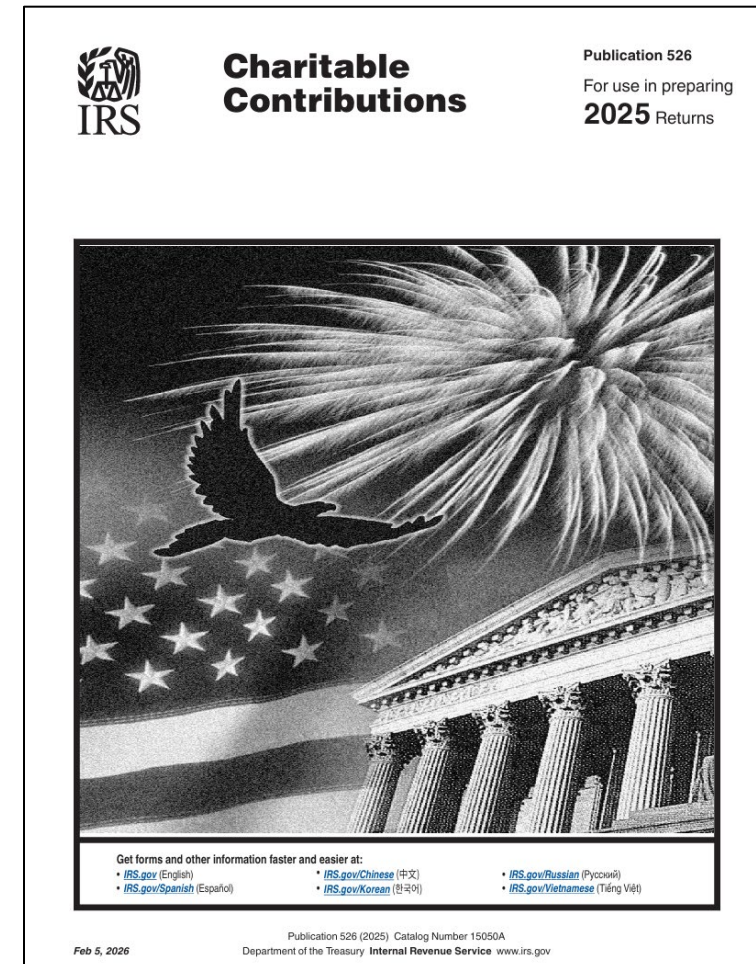


Contributions to federal, state, and local governments

According to IRS Publication 526:

Contributions to Federal, **state**, and local governments are deductible only if it is to be used solely for public purposes

(for example, a gift to reduce the public debt or **maintain a public park**)

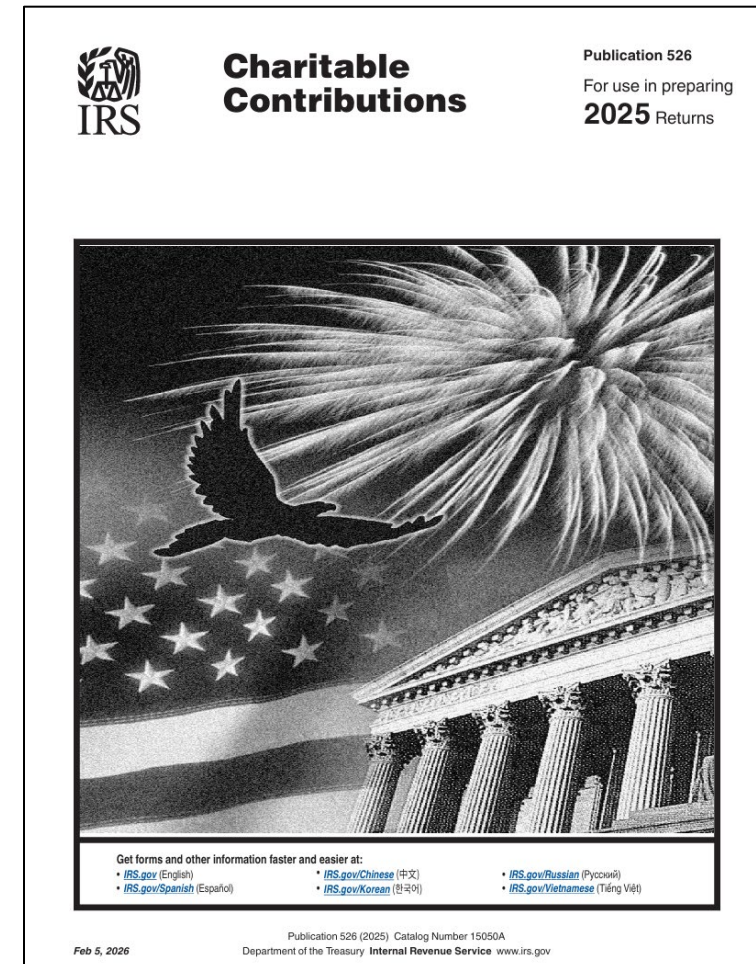


Contributions to federal, state, and local governments

According to IRS Publication 526:

Example 1:

- You contribute cash to your city's police department to be used as a reward for information about a crime.
- The city police department is a qualified organization, and your contribution is solely for a public purpose.
- You can deduct your contribution.

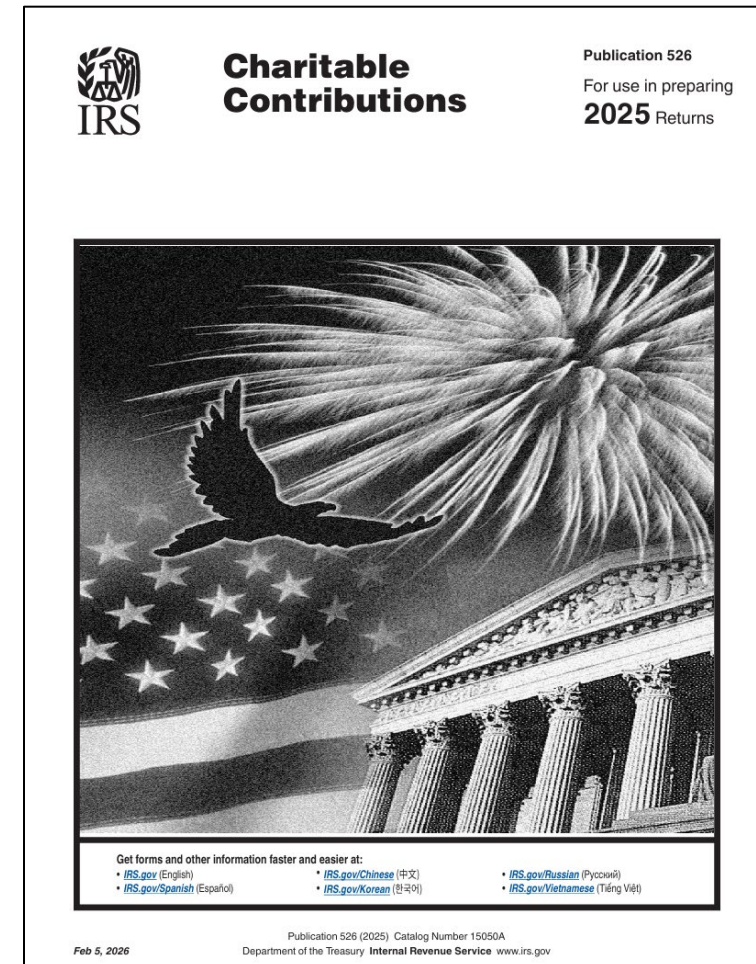


Contributions to federal, state, and local governments

According to IRS Publication 526:

Example 2:

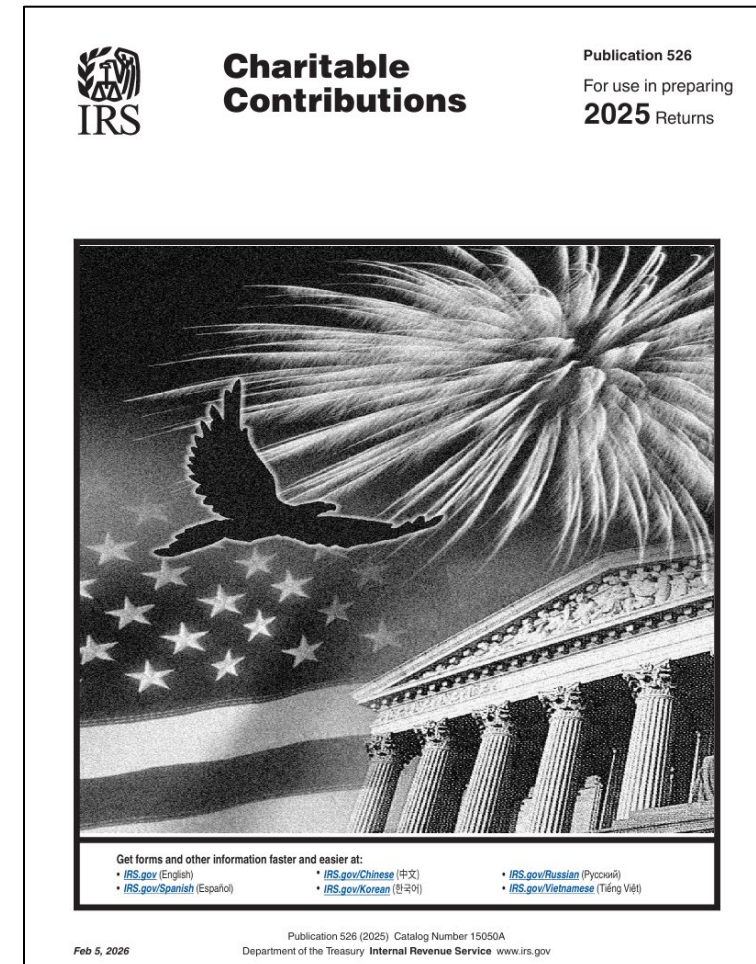
- You make a voluntary contribution to the social security trust fund, not designated to a specific account.
- Because the trust fund is part of the U.S. Government, you contribute to a qualified organization.
- You can deduct your contribution.



According to IRS Publication 526:

Question: I volunteer 6 hours a week in the office of a qualified organization. The receptionist is paid \$10 an hour for the same work. Can I deduct \$60 a week for my time?

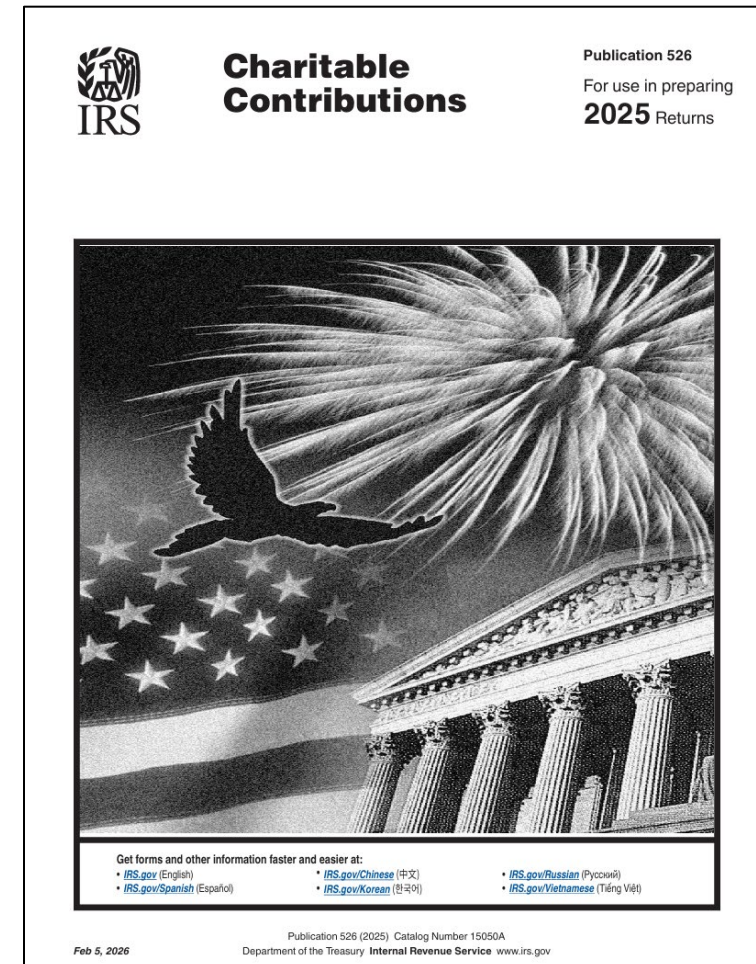
Answer: No, you can't deduct the value of your time or services.



According to IRS Publication 526:

Question: The office is 30 miles from my home. Can I deduct any of my car expenses for these trips?

Answer: Yes, you can deduct the out-of-pocket costs of gas and oil that are directly related to getting to and from the place where you volunteer.



Thank You!

Dan O'Rourke

dan.orourke@state.mn.us

651-556-6954