

3. If a charitable contribution is made in the form of property which the taxpayer sells in the course of his trade or business, he is entitled to a deduction for it.
4. In general, the donation of appreciated property to a charity does not cause a donor to realize income. Appreciated property which is subject to the deduction for depreciation falls within the scope of that general rule, thus, for example, a charitable contribution of a 40 year old building with a value of \$20,000 and original cost of \$50,000 and in the tax basis of \$10,000 due to prior depreciation deductions, would not cause a realization of any taxable income by the donor, even though he had already deducted \$40,000 through depreciation allowances.
5. Individuals may contribute 20% of the adjusted gross income for any taxable year (Code Section 170(b) (1) ). Either spouse under a joint return can give the full percentage. An additional 10% above the 20% limit to private foundation may be given to churches, educational organizations or hospital. Corporation may give 5% of the taxable income for each year. (Code Section 170 (b) (2) ). A mere pledge is not a contribution and the contribution must actually be paid to entitle the donor to a deduction. Gifts of appreciated property generally avoids a tax on appreciation. Other types of property that may be considered business properties: stock rights, life insurance, where there is an irrevocable assignment of the policy with the foundation named as irrevocable beneficiary and the gift sale of appreciated property where the transfer of the property is in part a sale and in part a gift (however, beware of self-dealing). There are approximately 10 other classifications that are recognized as different types of gifts under the IRS Code.

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