<u>**Tax Considerations in Charitable Auctions-Bountiful Blessings or Buried Burdens?**</u>

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Have you ever attended a charity auction only to have the well- meaning auctioneer rally the audience by saying, "Come on everybody, it's deductible!" According to Ronnie C. McClure, Ph.D., CPA, this week's contributing author to Gift Planner's Digest, donors, bidders, and charitable organizations may be in for a surprise. Although auctions probably fall more under the category of "spontaneous" than "planned" giving, there are several interesting tax facts you might want know before the next gavel falls.

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Charity auctions are exciting, fun, competitive, and raise millions for U.S. charities every year. Donors of property to be auctioned typically believe they can claim a charitable contribution income tax deduction for the full fair market value of the contributed property. That is seldom true. Successful bidders generally believe they can claim a charitable contribution income tax deduction for the full amount of their successful bids at the auction. That, too, is seldom true. Finally, the charities sponsoring these events commonly believe that they have no responsibility to inform their donors and patrons of the amount they can deduct. Not true-in fact, they may have to report the sale of the contributed property to the IRS following the event. Bountiful blessings or buried burdens? Like the answer to most other tax questions, "it depends."

Background

Charity auctions are one of the most enjoyable forms of fundraising that generate millions of dollars for charitable organizations throughout the nation each year. Merchants, service professionals, and individuals contribute merchandise and services to be auctioned to the highest bidder. Many donors contribute cash that is used to buy other property to be auctioned. Charity auctions are frequently held in connection with an annual ball or dinner that serves to heighten the enjoyment for the patrons and helps loosen their purse strings.

The common perceptions related to the tax benefits of charitable auctions are that: 1) those who contribute property to be auctioned can claim a charitable contribution deduction for federal income tax purposes equal to the full fair market value of the contributed property; 2) successful bidders at the auction can claim a charitable contribution deduction for federal income tax purposes for the full amount they paid for the property; and 3) the charity that sponsored the auction has no responsibilities other than putting the auction together and raking in the dough on the night of the auction.

Regrettably, nothing could be farther from the truth.

Rules Applicable To Donors Of Auctioned Property

Basis for deduction. To be deductible as a charitable contribution for federal income tax purposes, a payment to (or for the use of) a qualified charitable organization must be a gift.[1] To be a gift, there must be a payment of money or transfer of property without adequate consideration. Generally, a transfer of property in exchange for cash does not represent a deductible gift on the part of the vendor.

Example. The Royale Museum, a public charity, is sponsoring a charity auction in connection with its annual donor appreciation dinner. The Museum plans to purchase an automobile from a local dealership for use as an auction item. Assume the sticker price on the window of the automobile is $32,500. By shopping several dealers in the area, the Museum determines that anyone could buy the same vehicle for $28,000. Assume further that all dealers have the same cost basis of $25,725 in the vehicle.

The Museum chooses to buy the vehicle from Downtown Motors because that dealer has the particular color the auction planners feel will attract the most bids. The Museum pays the full $28,000 fair market value of the vehicle.

Downtown Motors is not entitled to a charitable contribution deduction for its transfer of the automobile to Royale Museum. The dealership has not made a charitable gift to the Museum. The transfer was made for consideration equal to the full fair market value of the vehicle.

In the case of a transfer made for consideration less than full fair market value, however, the transfer may be part sale and part gift. This type of transaction may be a bargain sale in which the transferor of the property receives a charitable contribution deduction for the gift element of the transaction.

Example. Assume the facts are the same as in the example above, except that Royale Museum bought the vehicle from City Classic Cars for $25,725.

In this case, the dealership has made a transfer of property with a fair market value of $28,000 for consideration of $25,725. The dealership has made a gift to the Museum in the amount of $2,275. The dealership's charitable contribution deduction will be determined under rules applicable to bargain sales.

Inventory. One of the most common types of gifts for auctions is inventory items that have been solicited from businesses. Inventory items are those items held for sale to customers in the ordinary course of a trade or business. As such, inventory represents ordinary income property. Contributions of inventory present unique challenges in determining the deductible amount. In virtually every case, however, the amount of the deduction will be limited to the donor's cost of the item.

The contribution deduction for ordinary income property, such as inventory, is generally limited to the donor's cost of the item even though the fair market value (i.e., the normal selling price of the item) is greater. This occurs by reducing the fair market value of the property by the amount of gain that would not have been long-term capital gain if the property was sold.[2] Gain on the sale of inventory cannot be long-term capital gain (even if held for more than one year), because the Internal Revenue Code (Code) specifically excludes such property from the definition of a capital asset.[3]

Example. Computer Concepts, Inc. (CCI) buys 300Mhz Model III computers for sale to its customers. CCI pays $1,850 for each Model III and sells them to customers for $2,055. CCI agrees to contribute one of its computers to Royale's auction.

The amount of gain CCI realizes on the sale of a Model III ($205) would not be long-term capital gain.

While there are certain exceptions for corporate donations of inventory used for: 1) the care of the ill, the needy, or infants;[4] 2) scientific research;[5] and 3) certain computer equipment or technology for educational purposes,[6] these more favorable exceptions do not apply when the contributed property is to be auctioned because the items are not used by the donee organization for the specified purpose.[7]

A business claiming a deduction for a charitable contribution of inventory items could actually receive a double benefit for the contribution-first, as a charitable deduction, and second, as part of its cost of goods sold. To prevent this double deduction, the regulations prescribe procedures for ensuring an item is only deducted once.[8] For items that were included in the beginning inventory for the year, the charitable deduction is allowed for the cost of the item. In addition, the item must be removed from cost of goods sold. For items that were not included in the beginning inventory for the year, no charitable deduction is allowed for the gift, but the cost of the item is deducted as part of the business' cost of goods sold. It either case, the amount of the deduction is the cost of the item contributed rather than the normal selling price of the article. This distinction is important, however. A corporation's charitable contributions from beginning inventory are subject to the 10% deduction limitation.[9] A contribution through cost of goods sold is not subject to the same limitation.[10]

Ordinary income property. As with inventory property, the amount of a deduction for contributions of other types of ordinary income property is generally subject to a reduction rule effectively limiting the deduction to the donor's basis in the contributed property.[11] Ordinary income property is property that, if sold, would give rise to ordinary income rather than long-term capital gain. Other examples of ordinary income property include: 1) capital assets held for less than one year, certain notes and accounts receivable acquired in the normal course of a trade or business;[12] 2) works of art, letters, memoranda, music, or literature created by the donor;[13] 3) certain U.S. government publications,[14] partnership and S Corporation interests to the extent of "hot assets;"[15] and 4) certain gain (recapture income) recognized on the sale of real or personal property used in the donor's trade or business.[16]

Tangible personal property. There is an additional restriction on the amount of deduction allowable for contributions of tangible personal property if the property is unrelated to the organization's exempt function.[17] In such case, the allowable contribution deduction must be reduced by the amount of gain that would have been long-term capital gain had the property been sold for fair market value. By the very nature of the gift, tangible personal property contributed for sale at auction will not be used by the organization in its exempt function notwithstanding the fact that the proceeds of the sale will be used to further the organization's exempt purposes. Therefore, this reduction rule applies to auction contributions.

Example. Mr. Goff is an antique automobile collector. He owns a rare classic 1961 Jaguar roadster that he bought new in 1961 and held as an investment. His tax basis in the automobile is $15,000. The fair market value of the car is $100,000. Mr. Goff is considering contributing the roadster to Royale Museum's auction. An automobile is tangible personal property, not withstanding the fact that it is also long-term capital gain property.

If Mr. Goff sold the automobile, he would recognize long-term capital gain of $85,000. Because the automobile will be sold at auction, however, the Royale's use of the automobile is unrelated to the Museum's exempt purpose. Therefore, the reduction rule applies. Mr. Goff's charitable deduction is the fair market value of the automobile ($100,000) reduced by the amount of gain that would have been long-term capital gain ($85,000) had he sold it. Therefore, Mr. Goff's charitable deduction for the contribution will be limited to $15,000, which is his basis in the automobile.

If the Museum agreed to keep Mr. Goff's automobile and display it as part of the Museum's permanent collection, Mr. Goff's deduction would have been the automobile's full fair market value of $100,000.

Capital gain property. Intangible or real property that would have generated long-term capital gain if sold by the donor generally will produce the most favorable charitable contribution deduction for property contributed to an auction. The reduction rules discussed above applicable to inventory, ordinary income property, and tangible property not used in the donee organization's charitable function do not apply to long-term capital gain property even if sold immediately by the donee. Thus, land and buildings (not used in a trade or business) or appreciated securities contributed to an auction are deductible by the donor at full fair market value.[18] While these items yield the most favorable deduction, they are generally not attractive as auction items. In addition, while the deduction for this type of property may be more restricted if the donee charity is a private, nonoperating foundation, this type of organization generally does not generate funds through auctions.

Depreciated property. As used here, the term "depreciated property" means property, the value of which is lower than its tax basis, rather than property used in a trade or business for which a depreciation allowance has been deducted under Section 162 of the Code. In all cases, a charitable contribution deduction is limited to the lower of the property's fair market value or the donor's tax basis in the property. Therefore, a charitable donation of depreciated property results in a nondeductible loss (the difference between the higher, nondeductible donor's basis and the lower, deductible fair market value). The more appropriate alternative for this type of property would be to sell the property, recognize the loss for property held for use in a trade or business or for investment, and contribute the proceeds from the sale.

Example. Two years ago, Benson Inc. bought a color printer for use in its business. The company paid $750 for the printer. The company's current tax basis (cost less accumulated depreciation allowed for tax purposes) in the item is $500. Because of the rapid pace of technological improvements in color printers, the current fair market value of this printer is $300.

If the company contributes this printer to a charitable organization for auction, the deduction will be limited to the lower of fair market value ($300) or the company's basis ($500). The additional $200 of basis will fall through the cracks and never be deductible. The better alternative would be for Benson to sell the printer for $300, recognize a loss on the sale of $200 and contribute the $300 cash proceeds from the sale to the organization to buy new property to auction. By so doing, the company will be able to deduct its total basis of $500 and the charity will still have $300 in value to auction.

A contribution of depreciated personal property will produce the same result as the sale of the property and contribution of the proceeds since the reduction in value would not constitute a deductible loss under any provision of the Code.

Example. Assume the same facts as in the example above, except that Benson is an individual rather than a business. Benson paid $750 for a color printer for personal use. As such, Benson was never allowed to claim a depreciation deduction for use of the printer. Because of the rapid pace of technological improvements in color printers, the current fair market value of this printer is $300.

If Benson contributes this printer to a charitable organization for auction, the deduction will be limited to the lower of fair market value ($300) or her basis ($750). The additional $450 of basis will fall through the cracks and never be deductible. In this case, it makes no difference whether Benson sells the printer and contributes the proceeds, or contributes the printer itself. Her additional $450 in basis is not deductible as a business or a personal loss.

Services. Professional services are frequently contributed to charitable organizations as auction items. A contribution deduction is never allowed for donation of services, whether as an auction item or for services performed directly for a charity.[19]

Example. Fred McGrath is a CPA who provides estate planning services as part of his practice. One of Fred's clients is St. John's Middle School that qualifies as a charitable educational organization entitled to receive tax deductible contributions. St. John's is conducting its annual Charity Ball and Silent Auction. Fred agrees to contribute to the auction an engagement to review the will and current estate plan of the successful bidder. The fair market value of this engagement is $750.

Fred will not be entitled to a charitable contribution deduction for the value of the contribution to the auction. Fred is contributing services, not property.

Rules Applicable To Auction Bidders

Probably the most common misconception bidders have about charitable auctions is that any payment they make for items purchased constitutes a charitable contribution to the sponsoring charity. In fact, a charitable contribution results only if the amount paid for the item exceeds its fair market value. The fact that the item was donated to the charity does not change the result. The buyers have entered into a *quid pro quo* transaction in which they received value for the payment they made. A *quid pro quo* transaction is not a gift.

The Internal Revenue Service addressed this issue as early as 1967 in Revenue Ruling 67-246.[20] The following paragraphs, taken from that ruling are instructive. (Emphasis has been added.)

"As a general rule, where a transaction involving *a payment is in the form of a purchase of an item of value*, the presumption arises that no gift has been made for charitable contribution purposes, *the presumption being that the payment in such case is the purchase price.*

Thus, where consideration in the form of admissions or other privileges or benefits is received in connection with payments by patrons of fund raising affairs of the type in question, the presumption is that the payments are not gifts. In such case, therefore, if a charitable contribution deduction is claimed with respect to the payment, the burden is on the taxpayer to establish that the amount paid is not the purchase price of the privileges or benefits and that part of the payment, in fact, does qualify as a gift.

In showing that a gift has been made, an essential element is proof that the portion of the payment claimed as a gift represents the excess of the total amount paid over the value of the consideration received therefor. This may be established by evidence that the payment exceeds the fair market value of the privileges or other benefits received by the amount claimed to have been paid as a gift.

Another element that is important in establishing that a gift was made in such circumstances, is evidence that the *payment in excess of the value received was made with the intention of making a gift*. While proof of such intention may not be an essential requirement under all circumstances and may sometimes be inferred from surrounding circumstances, *the intention to make a gift is, nevertheless, highly relevant in overcoming doubt in those cases in which there is a question whether an amount was in fact paid as a purchase price or as a gift.*

Regardless of the intention of the parties, however, a payment of the type in question can in any event qualify as a deductible gift only to the extent that it is shown to exceed the fair market value of any consideration received in the form of privileges or other benefits."

It seems clear then, that only to the extent the amount paid exceeds the fair market value of an auction item will the successful bidder be entitled to a charitable contribution deduction. While this Revenue Ruling does not use the word "auction," the 12 examples in the ruling are broad enough to cover today's charity auctions. The following is example nine.

"The X Charity sponsors a fund raising bazaar, the articles offered for sale at the bazaar having been contributed to X by persons desiring to support X' s charitable programs. The prices for the articles sold at the bazaar are set by a committee of X with a view to charging the full fair market value of the articles.

A taxpayer that purchases articles at the bazaar is not entitled to a charitable contribution deduction for any portion of the amount paid to X for such articles. This is true even though the articles sold at the bazaar are acquired and sold without cost to X and the total proceeds of the sale of the articles are used by X exclusively for charitable purposes."

The 1967 Revenue Ruling did not keep the lid on excess deductions for quid pro quo transactions for very long. In 1988, the Internal Revenue Service mailed Publication 1391, *Deductibility of Payments Made to Charities Conducting Fund-Raising Events*, to over 400,000 tax exempt charities "asking their help in informing contributors more accurately about the deductibility of contributions made in connection with fund raising events." In this publication, auctions were specifically mentioned as a type of event in which payments made to the sponsoring organization may be totally nondeductible. Others mentioned included charity balls, bazaars, banquets, concerts, athletic events,[21] and solicitations for membership.[22] Other events that have attracted the Service's attention over the years include religious education courses[23] and marriage enrichment seminars,[24] all with the same result: no deduction to the extent of the fair market value of the property received in return.

Consider three examples as to the deductibility of payments by successful bidders for charitable auction items.

Example 1. On the evening of its auction, Royale Museum has a roomful of tables with various auction items. This is to be a silent auction in which patrons place written bids on each item. The items are numbered and the bid list is placed beside each item. A card beside each item on the tables states the estimated fair market value of the item as determined by the auction committee, generally based on representations made by the item donor.

Each patron who bids places his or her name below the name of the previous bidder and is required to raise the previous bid by a specified amount. The last name on the list at the close of the auction (should represent the highest bid) is the successful bidder.

At $150,Tiffany is the successful bidder on a bottle of rare Cabernet Sauvignon. The fair market value as evidenced by the card is represented to be $300.

Tiffany is not entitled to a charitable contribution deduction because she received an item of value in excess of the payment she made. There is no gift and no deduction is allowable.

Example 2. The facts are the same as in the example above except that Tiffany's mother, Vicki, was the successful bidder on a painting of Mount Vernon. The frame was made by the craftsmen who maintain the home from trees actually grown on the plantation. Vicki's bid was $750. The fair market value of the item was represented to be $750.

Vicki is not entitled to a charitable contribution deduction because she received an item of value equal to the payment she made. There is no gift and no deduction is allowable.

Example 3. The facts are the same as in the example above, except that Vicki's friend, Cheryl, was the successful bidder on a football autographed in 1985 by Joe Montana. The contributor of the item was a local sports memorabilia dealer who was an expert in valuing items of this nature. He represented to the Museum that the item had a fair market value of $1,250. Cheryl was buying the football for her 15-year-old son for whom Montana is his idol. Cheryl paid $1,925 for the item.

Cheryl is entitled to a charitable contribution deduction in the amount of $675 because she paid more for the item than the value she received in return. The excess payment is a gift and a deduction is allowable but only to the extent of the excess.

Disclosure Rules Applicable To Charitable Beneficiaries

Finally, we turn our attention to the sponsoring charity itself, and its burdens with regard to the deduction its patrons and contributors are allowed to take.

Background. Revenue Ruling 67-246 placed much of the responsibility for excess deductions squarely on the shoulders of the sponsoring charity.

"In particular, an increasing number of instances are being reported in which the public has been erroneously advised in advertisements or solicitations by sponsors that the entire amounts paid for tickets or other privileges in connection with fund raising affairs for charity are deductible. Audits of returns are revealing other instances of erroneous advice and misunderstanding as to what, if any, portion of such payments is deductible in various circumstances. There is evidence also of instances in which taxpayers are being misled by questionable solicitation practices which make it appear from the wording of the solicitation that taxpayer's payment is a "contribution," whereas the payment solicited is simply the purchase price of an item offered for sale by the organization."

In addition, the Ruling placed a burden on the sponsoring charity to furnish good faith fair market value information to their patrons.

"In those cases in which a fund raising activity is designed to solicit payments which are intended to be in part a gift and in part the purchase price of admission to or other participation in an event of the type in question, the organization conducting the activity should employ procedures which make clear not only that a gift is being solicited in connection with the sale of the admissions or other privileges related to the fund raising event, but also, the amount of the gift being solicited. To do this, the amount properly attributable to the purchase of admissions or other privileges and the amount solicited as a gift should be determined in advance of solicitation. The respective amounts should be stated in making the solicitation and clearly indicated on any ticket, receipt, or other evidence issued in connection with the payment."

Again in 1988, Publication 1391 asked the assistance of the sponsoring charity to notify its patrons of the limitations on their deductions in connection with payments made when the patron received goods and services in return. Indeed, Congress had mandated IRS oversight. The Publication contained the following statement taken from the Report on the Omnibus Budget Reconciliation Act of 1987:

"?the committee [the House Budget Committee] anticipates that the Internal Revenue Service will monitor the extent to which taxpayers are being furnished accurate and sufficient information by charitable organizations as to the nondeductibility of payments to such organizations, where benefits or privileges are received in return, so that taxpayers can correctly compute their Federal income tax liability. The committee also anticipates that groups representing the charitable community will further educate their members as to the applicable tax rules and provide guidance as to how charities can provide appropriate information in this regard."

As a result of this expression of Congressional interest, as well as the continued concern of the IRS, the Commissioner of the Internal Revenue instituted a Special Emphasis Program [the Charitable Solicitations Program] to focus on the fund raising practices of charitable organizations. Through this program, the IRS sought to determine the extent to which taxpayers were furnished accurate and sufficient information concerning the deductibility of their contributions.

Disclosure. The Charitable Solicitations Program ultimately resulted in legislation. The Code now requires charitable organizations that receive quid pro quo contributions in excess of $75 to disclose the value of the goods or services provided in exchange for the payment.[25] The disclosure must be made in any solicitation materials, and is required to be included with a receipt for payment.

At charitable auctions, the sponsoring charity should tag each item with a good faith estimate of the fair market value of the item.[26] The charity should request that the donor of the item provide an estimate of the item's market value. In addition, the receipt that the organization issues to the successful bidder at the time of payment for the item should reflect both the amount paid and the estimated fair market value of the item.

The charity must inform the donor that the amount of the deductible contribution is limited to the excess of the money paid for the item over the fair market value of the goods or services provided.[27]

Reporting. Both donors of auction items and charitable sponsors of the auction may have reporting requirements regarding contributions of property to be auctioned. While the reporting requirements described below apply to all noncash gifts, there is no exception for any type of donation of auction items.

Donors of property to be auctioned may have a requirement to file Form 8283, Noncash Charitable Contributions, with their tax return to report details of the gift.[28] Individuals, partnerships, and corporations must file Form 8283 if the amount of their deduction for all noncash gifts is more than $500. Any required reductions from fair market value are applied first in order to determine the amount of the deduction. Regular C Corporations, other than personal service corporations and closely held corporations, must file Form 8283 only if the amount claimed as a deduction is over $5,000.

A partnership or S Corporation that claims a deduction for noncash gifts over $500 must file Form 8283 with its normal tax return. A partnership or S Corporation with total noncash gifts over $5,000 must give a completed copy of Form 8283 to each partner or shareholder receiving an allocation of the contribution deduction.

For this purpose, the $500 and $5,000 reporting thresholds relate to each item or group of similar items. Similar items of property are items of the same generic category or type, such as stamp collections, coin collections, lithographs, paintings, books, nonpublicly traded stock, land, or buildings.

Example. Greg claimed a deduction of $400 for clothing, $300 for publicly traded securities, and $400 each for a collection of 15 rare books. Although each individual item is below the $500 reporting thresholds, the collection of 15 books represents similar items of property and triggers a reporting requirement at the $5,000 level (15 x $400 each = $6,000).

A written appraisal generally is required to substantiate gifts of more than $5,000 per item or group of similar items.[29] Written appraisals are not required for nonpublicly traded stock of $10,000 or less, publicly traded securities, donations by a regular C Corporation (other than a closely held corporation or personal service corporation), or inventory, and other property donated by a closely held corporation or a personal service corporation that are "qualified contributions" for the care of the ill, the needy, or infants. A written appraisal is required for art only if valued at $20,000 or more. Donee charitable organizations that receive contributions of property of $5,000 or more per item or group of similar items must acknowledge receipt of the property by signing the donor's Form 8283.[30]

By signing Form 8283, the organization is also acknowledging its reporting responsibility.[31] If the organization disposes of the property within two years after the date it first received the property, the organization must file Form 8282, Donee Information Return, with the IRS and send a copy to the donor.[32] This form reports the name of the donee organization, the name of the donor, a description of the property, the date the organization received the property, the date the organization disposed of the property, and the amount the organization received upon disposition.

The obvious purpose of this form is to establish some relationship between the amount received by the donee upon disposition of donated property and the amount claimed as a charitable deduction by the donor. There is no reporting exception for property donated as auction items even though disposition of the property occurs within days of its contribution.

State Law Considerations

Charitable auction sponsors should also consult with legal and tax counsel for any state or local tax law considerations. For example, Texas recently enacted a provision that paying any amount in excess of $5,000 for a single item at a charity auction subjects the entire amount of the payment to state sales tax. While this provision has not yet been tested in court, Texas' position is that the entire amount, not just the amount in excess of $5,000 is subject to the tax. In addition, the entire amount is subject to tax even if the payment is in excess of the property's fair market value and the excess is deductible as a charitable contribution under federal tax law. Other states may have similar provisions that limit the benefits of buying at such an event.

Practical Suggestions

In order to establish and maintain credibility with the donors of auction property and with patrons alike, charitable auction sponsors should be prepared to explain the rather limited benefits of contributing to, and purchasing from, these events. The appropriate information should be included in solicitation for donated items and in invitations mailed to patrons announcing the event.

At the time of the auction, the organization should have readily available information summarizing the deductibility of payments made by successful bidders. The good faith estimated fair market value of each item should be prominently displayed. Dealing fairly and openly with donors and bidders early in the process will minimize unpleasant confrontations with friends and supporters of the organization after the event when they find that the bountiful benefits they expected have become buried burdens.

Footnotes

[1] IRC § 170(c).

[2] IRC § 170(e)(1)(A) and Treas. Reg. § 1.170A-4(a)(1).

[3] IRC § 1221(1).

[4] IRC § 170(e)(3).

[5] IRC § 170(e)(4).

[6] IRC § 170(e)(6).

[7] IRC § 170(e)(3)(A)(iii), IRC § 170(e)(4)(B)(vi), and IRC § 170(e)(6)(B)(v).

[8] Treas. Reg. § 1.170A-1(c)(4).

[9] IRC § 170(b)(2).

[10] PLR 8008013.

[11] IRC § 170(e)(1)(A).

[12] IRC § 1221(4).

[13] IRC § 1221(3).

[14] IRC § 1221(5).

[15] IRC § 751(a). See IRC § 170(e)(1) for application of these provisions to S Corporations.

[16] IRC § 617(d)(1), § 1245(a), § 1250(a), § 1252(a), and § 1254(a).

[17] IRC § 170(e)(1)(B)(1) and Treas. Reg. § 1.170A-4(b)(3)(i).

[18] Treas. Reg. § 1.170A-1(c)(1).

[19] Treas. Reg. § 1.170A-1(g).

[20] 1967-2 CB 104.

[21] See Rev. Rul. 84-132, 1984-2 CB 55.

[22] See Rev. Rul. 68-432, 1968-2 CB 104.

[23] Rev. Rul. 78-189, 1978-1 CB 68.

[24] Rev. Rul. 76-232, 1976-1 CB 62.

[25] IRC § 6115(a).

[26] IRC § 6115(a)(2).

[27] IRC § 61159a)(1).

[28] See, generally, Treas. Reg. § 1.170A-13 for reporting and disclosure requirements.

[29] Treas. Reg. § 1.170A-13(c)(2)(i)(A).

[30] Treas. Reg. § 1.170A-13(c)(4)(i)(B).

[31] Treas. Reg. § 1.170A-13(c)(4)(iii).

[32] IRC § 6050L(a) and Treas. Reg. § 1.6050L(a)(1).