



Inspiring and Connecting Thoughtful Giving

Toledo Community Foundation

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About Your Foundation

Since 1973, **Toledo Community Foundation** has provided individuals, families and businesses interested in the well-being of our community with an *efficient, effective, low-cost, professionally managed* mechanism to achieve their charitable goals.

For philanthropists wishing to maximize the impact and life of their charitable gifts, the Foundation provides *resources for thoughtful giving*. Using its expertise and personalized services, **Toledo Community Foundation** helps donors transform their philanthropic impulse to measurable community impact. Beyond the gifting of assets, the Foundation helps donors identify issues of importance to them and *inspires engagement* with community organizations addressing these issues, thereby maximizing the impact of charitable gifts and creating a greater sense of fulfillment.

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Tapping IRAs for Charitable Contributions

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Q: Was the law that allowed people over 70 1/2 to make contributions directly from their individual retirement accounts to a qualified charity, without having that transfer counted as taxable income, ever extended to 2010?

E.M., Orinda, Calif.

A: Not yet, but it probably will be. The House recently approved legislation that includes extending this provision, which expired at the end of 2009, through the end of this year. The idea of extending it enjoys strong, bipartisan support within the Senate.

So why has there been such a long delay in resurrecting it? It's part of larger legislation that has gotten bogged down in political bickering over other issues.

This now-expired law generally allowed taxpayers who were age 70 1/2 or older to transfer as much as \$100,000 a year directly from an IRA to a qualified charity without having to include any of that money as taxable income. For those who followed all the rules, the transfer counted toward their required minimum distribution for the year. For more details, see a publication issued recently by Congress's Joint Committee on Taxation (jct.gov). Under publications, look for JCX-29-10, dated May 28, 2010. See pages 44-48.

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Influential charitable organizations are strongly in favor of reviving the provision and making it retroactive to the beginning of this year. They say it has greatly encouraged charitable donations in recent years. They also argue that Congress needs to act speedily since many charitable nonprofits are struggling with budget woes.

Since the provision was first enacted several years ago, "Americans have made millions of dollars of new contributions to nonprofits—including social-service programs, religious organizations, arts and cultural institutions, schools, and health care providers—that benefit people every day," according to the website of Independent Sector (independentsector.org), a Washington, D.C.-based nonprofit, nonpartisan coalition of charities, foundations and corporate philanthropy programs. The organization says uncertainty about the outlook for reinstating this provision impedes the transfer of gifts that are critical to providing much needed programs and services.

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