

**GIANT, IMPORTANT DISCLAIMER: WE AREN'T GIVING LEGAL, TAX OR FINANCIAL ADVICE. PLEASE SEEK YOUR OWN COUNSEL FOR ANY DONATIONS. MANY OF THESE QUESTIONS ARE OPEN TO SOME INTERPRETATION, ARE GENERAL IN NATURE OR ARE UNIQUE TO A PARTICULAR JURISDICTION. ASSUME ALL ANSWERS ARE WRONG UNTIL YOU/YOUR DONOR CONFIRMS WITH HER/HIS ADVISOR.**

**Q & A from “Top 10 Questions, Myths and Mysteries on Forms 8282/8283,” Apr 2022**

<p>When a donated asset is sold within the specified timeframe, an institution is required to complete Form 8282 and disclose the "amount received upon dissolution" on Part III, Line 8. When donated real estate property is sold, which of the following should be disclosed:                  Gross sale price per settlement document</p>	<p>It is 99% of the time Gross Sales price.</p>
<p>I recently had a donor ask us why we do not send them a Form 8283 for their DAF donation. They said their commercial DAF custodian does - I was very surprised to hear this.</p>	<p>live answered</p>
<p>Does Charitable Solutions fill out any of Sec B Part I when doing appraisals, Life Insurance appraisals for example?</p>	<p>live answered</p>
<p>Should appraiser be putting his EIN on the identifying number line?                   They wanted us to complete the top part.</p>	<p>live answered</p>

<p><b>Bryan, how are you able to do appraisals when you are the receiving charity? I thought that it had to be "independent".</b></p>	<p>I don't do any appraisals for donations to Dechomai/National Gift Annuity Foundation/Emergency Assistance Foundation. We would all be immediately disqualified - excellent call-out!</p>
<p><b>Page 8 of the instructions for Form 8283 indicates that the appraiser is supposed to sign the form after the donee has signed it. This seems a little goofy to me and is not the way I roll, but it is contrary to what Ryan said about y'all's preference. - Bill Z.</b></p>	<p>Bill, you're totally right. The issue for us is a practical one – every 8283 we sign before the appraiser is one more that we need to chase down later. Total nightmare to track.</p>
<p><b>Exchange could mean anything bartered.</b></p>	<p>Right, and it probably does. The problem is that there's no definition anywhere we can see!</p>
<p><b>Does the IRS treat normal vehicle donations differently from collectable vehicle donations in terms of how it should be reported on the 8283 (how to fill out, appraisal requirement, etc.)?</b></p>	<p>Super complicated area here and we do almost zero work with vehicles. There can be a collectible donation to a museum, a donation to a family that needs a car (related use), a donation to a community college with an auto repair course (related use), a donation followed by auction, etc. The 2004 vehicle rules super tighten this whole area and incorporated boats/planes as well to anvil the Kelley Blue Book scams.</p>
<p><b>If the second partial sale occurs after three years does the 8282 still need to be done?</b></p>	<p>Great question. I would wager that it does not.</p>
<p><b>Does the signature by the appraiser on the 8283 need to be within a certain time frame of date on the appraisal?</b></p>	<p>Interestingly, it does not. If the appraiser signs the 8283 before the tax return is filed, that's good enough.</p>

<p><b>On a Form 8283 funded with CRUT funded with a gift of real estate to a university, would you check the "No" box in Part V in the Donee Acknowledgment Section relating to "Does the organization intend to use the property for an unrelated use"?</b></p>	<p>Hard to say, since that question is aimed at tangible personal property rather than real property. We have always struggled with the appropriate response there since we deal almost entirely with real estate and private stock.</p>
<p><b>Thank you for addressing the complicated "sale" question (when to measure the 125 days from). We also deal with partial sales for a number of reasons - for example, sometimes a PE firm will buy a portion of the shares and a portion will continue to be owned us as charity. When appropriate, we attach an addendum to better disclose the fact pattern with Form 8282. We do the same thing for holdbacks/escrows.</b></p>	<p>Yes, it is complicated. Your practice is basically in line with our approach.</p>
<p><b>If donor puts 2 real estate into CRUT, have their appraiser and sell and put proceeds into CRUT. What should charity be looking at when signing 8283 - the appraisal or closing sale docs?</b></p>	<p>Always the qualified appraisal, the closing sale docs will drive the info on the 8282.</p>
<p><b>We're working on selling a piece of commercial real estate that was donated 12/31/21. We feel the original appraised price is way too high and are not likely to receive anything close in a sale. As a creative way to avoid filing the 8282, we are considering selling the building on a 3-year contract-for-deed. In this scenario, which date is determined to be the date of sale? The contract date, or the date that the deed actually changes?</b></p>	<p>The IRS says the trigger is when the donated property was "sold, exchanged, or otherwise disposed of within 3 years." That is vague – and perhaps purposely so! I would tend to guess that the 8282 would still need to be filed unless there are some contractual nuances in the example that I'm not grasping.</p>
<p><b>Piggybacking on my previous question, our attorney has indicated that there is case law that clearly states a non-profit taking less cash to produce a "quick turnaround" is an acceptable reason for the lower sale price. Your thoughts on this when thinking about the 3-year hold period.</b></p>	<p>If the charity is specifically/intentionally holding a noncash asset for 3 years so as not to report a lower price on 8282 (without giving legal advice), that would be a very, very, very bad narrative if you have a meeting under exempt org IRS audit explaining why you did that. Especially if there is a pattern. A bit extreme but that starts to look/be tax fraud facilitation.</p>

<p><b>International topic made me think of a donor who is going to make a 6-figure cash donation from Spain. How will she get a deduction? What do we need to file?</b></p>	<p>You can receive it and she MAY get a deduction if she is a US taxpayer. The 8283/8282 only filed with noncash assets exceeding certain limits (normally \$5K with exceptions that Ryan mentioned).</p>
<p><b>What reporting requirements for a charity that receives donate business equipment that in turn is sold for under \$5,000. I am assuming the sole business owner does not have any depreciation left on the assets and wants to avoid in gains on the sale of equipment; therefore, they want to donate the equipment and in turn the charity will sell the equipment.</b></p>	<p>Likely still need to file the 8282. However, the instructions are a bit unclear on this situation. If the sale price is below <u>\$500</u>, no 8282 needs to be filed. But if the donor's claimed deduction is under <u>\$5,000</u> (the deduction, not the charity's sale price), the asset does not qualify as "charitable deduction property" and no filing requirement is triggered.</p>
<p><b>The IRS 8282 has no instructions for Part III row 8, Amount received upon disposition, so how would one know if the amount should be gross or net "amount received upon disposition"?</b></p>	<p>Reading between the lines, the IRS is trying to compare the donor's deduction via appraised value to the charity's actual sale price. The best way to do that comparison is to look at the appraised value (which generally would not include things like commissions or closing expenses). So, on the 8282 side, the best way to report seems to be the gross sale price, not the net.</p>
<p><b>Any general tips for 8283/8282 in relation to donations funding split interest trusts and the corresponding remainder interest calculations would be appreciated. Thanks!</b></p>	<p>We normally provide donors with the Crescendo calculations and tell them that their tax preparers need to confirm or adjust the calculations as they believe appropriate.</p>
<p><b>I think the owner of the Dolphins is generally untrustworthy. Wasn't it he who asked the former head coach to do some things against NFL policy?</b></p>	<p>I could do a whole webinar on my many grievances with the Dolphins ownership, but I don't think Bryan would want to host that under the Charitable Solutions banner!</p>