Introduction

This publication is designed to help donors and appraisers determine the value of property (other than cash) that is given to qualified organizations. It also explains what kind of information you must have to support the charitable contribution deduction you claim on your return.

This publication does not discuss how to figure the amount of your deduction for charitable contributions or written records and substantiation required. See Publication 526, Charitable Contributions, for this information.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can write to us at the following address:

Internal Revenue Service
Individual Forms and Publications Branch
SE:W:CAR:MP:T1
1111 Constitution Ave. NW, IR-6406
Washington, DC 20224
We respond to many letters by telephone. Therefore, it would be helpful if you would incl-
clude your daytime phone number, including the area code, in your correspondence.
You can email us at taxforms@irs.gov. (The asterisk must be included in the address.)
Please put "Publications Comment" on the sub-
ject line. Although we cannot respond individu-
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National Distribution Center
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**Tax questions.** If you have a tax question, visit www.irs.gov or call 1-800-829-1040. We cannot answer tax questions sent to either of the above addresses.

**Useful Items**
You may want to see:

- **Publication**
  - 526 Charitable Contributions
  - 8282 Donee Information Return
  - 8283 Noncash Charitable Contributions
  - 8283-V Payment Voucher for Filing Fee

See **How To Get Tax Help**, near the end of this publication, for information about getting these publications and forms.

**What Is Fair Market Value (FMV)?**
To figure how much you may deduct for property that you contribute, you must first determine its fair market value on the date of the contribution.

**Fair market value.** Fair market value (FMV) is the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts. If you put a restriction on the use of property you donate, the FMV must reflect that restriction.

**Example 1.** If you give used clothing to the Salvation Army, the FMV would be the price that typical buyers actually pay for clothing of this age, condition, style, and use. Usually such items are worth far less than what you paid for them.

**Example 2.** If you donate land and restrict its use to agricultural purposes, you must value the land at its value for agricultural purposes, even though it would have a higher FMV if it were not restricted.

**Factors.** In making and supporting the valu-
ation of property, all factors affecting value are relevant and must be considered. These in-
clude:
- The cost or selling price of the item,
- Sales of comparable properties,
- Replacement cost, and
- Opinions of experts.

These factors are discussed later. Also, see Table 1 for a summary of questions to ask as you consider each factor.

**Date of contribution.** Ordinarily, the date of a contribution is the date that the transfer of the property takes place.

**Stock.** If you deliver, without any conditions, a property endorsed stock certificate to a quali-
fi ed organization or to an agent of the organiza-
tion, the date of the contribution is the date of delivery. If the certificate is mailed and received through regular mail, it is the date of mailing. If you deliver the certificate to a bank or broker acting as your agent or to the issuing corporation or its agent, for transfer into the name of the organization, the date of the contribution is the date the stock is transferred on the books of the corporation.

**Options.** If you grant an option to a qualified organization to buy real property, you have not made a charitable contribution until the organi-
ization exercises the option. The amount of the contribution is the FMV of the property on the date the option is exercised minus the exercise price.

**Example.** You grant an option to a local university, which is a qualified organization, to buy real property. Under the option, the uni-
versity could buy the property at any time during a 2-year period for $40,000. The FMV of the prop-
erty on the date the option is granted is $50,000.

On the following tax year, the university exer-
ces the option. The FMV of the property on the date the option is exercised is $55,000. There-
fore, you have made a charitable contribution of $15,000 ($55,000, the FMV, minus $40,000, the exercise price) in the tax year the option is exer-
cised.

**Determining Fair Market Value**
Determining the value of donated property would be a simple matter if you could rely only on fixed formulas, rules, or methods. Usually it is not that simple. Using such formulas, etc., sel-
dom results in an acceptable determination of FMV. There is no single formula that always applies when determining the value of property.

This is not to say that a valuation is only guesswork. You must consider all the facts and circumstances connected with the property, such as its desirability, use, and scarcity.

For example, donated furniture should not be evaluated at some fixed rate such as 15% of the cost of new replacement furniture. When the furniture is contributed, it may be out of style or in poor condition, therefore having little or no market value. On the other hand, it may be an antique, the value of which could not be deter-
mained by using any formula.

**Cost or Selling Price of the Donated Property**
The cost of the property to you or the actual selling price received by the qualified organiza-
tion may be the best indication of its FMV. How-
ever, because conditions in the market change, the cost or selling price of property may have less weight if the property was not bought or sold reasonably close to the date of contribution.

The cost or selling price is a good indication of the property’s value if:
- The purchase or sale took place close to the valuation date in an open market,
- The purchase or sale was at “arm’s-length,”
- The buyer and seller knew all relevant facts,
- The buyer and seller did not have to act, and
- The market did not change between the date of purchase or sale and the valuation date.

**Example.** Tom Morgan, who is not a dealer in gems, bought an assortment of gems for $5,000 from a promoter. The promoter claimed that the price was “wholesale” even though he and other dealers made similar sales at similar prices to other persons who were not dealers. The promoter said that if Tom kept the gems for more than 1 year and then gave them to charity, Tom could claim a charitable deduction of $15,000, which, according to the promoter, would be the value of the gems at the time of contribution. Tom gave the gems to a qualified charity 13 months after buying them.

The selling price for these gems had not changed from the date of purchase to the date he donated them to charity. The best evidence of FMV depends on actual transactions and not on any artificial estimate. The $5,000 charged Tom and others is, therefore, the best evidence of the maximum FMV of the gems.

**Terms of the purchase or sale.** The terms of the purchase or sale should be considered in determining FMV if they influenced the price. These terms include any restrictions, under-
standings, or covenants limiting the use or dis-
position of the property.

**Rate of increase or decrease in value.** Un-
less you can show that there were unusual cir-
cumstances, it is assumed that the increase or decrease in the value of your donated property from your cost has been at a reasonable rate. For time adjustments, an appraiser may con-
sider published price indexes for information on general price trends, building costs, commodity costs, securities, and works of art sold at auction in arm’s-length sales.

**Example.** Bill Brown bought a painting for $10,000. Thirteen months later he gave it to an art museum, claiming a charitable deduction of $15,000 on his tax return. The appraisal of the painting should include information showing that there were unusual circumstances that justify a 50% increase in value for the 13 months Bill held the property.
Comparable Sales

Conditions

Fair Market Value

Problems in Determining

An arm's-length offer to her that if she kept the Bibles for more than 1 year and then gave them to a church that she knew to be a qualified organization and claim the value of Mary's contribution of the Bibles to the church, the Bibles had a total retail value of $30,000. The promoter advised her that if she kept the Bibles for more than 1 year and then gave them to a qualified organization, she could claim a charitable deduction for the "estimated replacement cost new." Then subtract from this figure an amount for depreciation due to the physical condition and obsolescence of the donated property. You should be able to show the relationship between the depreciated replacement cost and the FMV, as well as how you arrived at the "estimated replacement cost new."

Opinions of Experts

Generally, the weight given to an expert's opinion on matters such as the authenticity of a coin or a work of art, or the most profitable and best use of a piece of real estate, depends on the knowledge and competence of the expert and the thoroughness with which the opinion is supported by experience and facts. For an expert's opinion to deserve much weight, the facts must support the opinion. For additional information, see Appraisals, later.

Problems in Determining Fair Market Value

There are a number of problems in determining the FMV of donated property.

Unusual Market Conditions

The sale price of the property itself in an arm's-length transaction in an open market is often the best evidence of its value. When you rely on sales of comparable property, the sales must have been made in an open market. If those sales were made in a market that was artificially supported or stimulated so as not to be truly representative, the prices at which the sales were made will not indicate the FMV.

For example, liquidation sales prices usually do not indicate the FMV. Also, sales of stock under unusual circumstances, such as sales of small lots, forced sales, and sales in a restricted market, may not represent the FMV.

Selection of Comparable Sales

Using sales of comparable property is an important method for determining the FMV of donated property. However, the amount of weight given to a sale depends on the degree of similarity between the comparable and the donated properties. The degree of similarity must be close enough so that this selling price would be truly representative, the prices at which the sales were made will not indicate the FMV.

Example 2. The facts are the same as in Example 1, except that the promoter gave Mary Black a second option. The promoter said that if Mary wanted a charitable deduction within 1 year of the purchase, she could buy the 500 Bibles at the "retail" price of $30,000, paying only $10,000 in cash and giving a promissory note for the remaining $20,000. The principal and interest on the note would not be due for 12 years. According to the promoter, Mary could then, within 1 year of the purchase, give the Bibles to a qualified organization and claim the full $30,000 retail price as a charitable contribution. She purchased the Bibles under the second option and, 3 months later, gave them to a church, which will use the books for church purposes.

At the time of the gift, the promoter was selling similar lots of Bibles for either $10,000 or $30,000. The difference between the two prices was solely at the discretion of the buyer. The promoter was a willing seller for $10,000. Therefore, the value of Mary's contribution of the Bibles is $10,000, the amount at which similar lots of Bibles could be purchased from the promoter by members of the general public.

Example 1. Mary Black, who is not a book dealer, paid a promoter $10,000 for 500 copies of a single edition of a modern translation of the Bible. The promoter had claimed that the price was considerably less than the "retail" price, and gave her a statement that the books had a total retail value of $30,000. The promoter advised her that if she kept the Bibles for more than 1 year and then gave them to a qualified organization, she could claim a charitable deduction for the "estimated replacement cost new." Then subtract from this figure an amount for depreciation due to the physical condition and obsolescence of the donated property. You should be able to show the relationship between the depreciated replacement cost and the FMV, as well as how you arrived at the "estimated replacement cost new."

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have been given consideration by reasonably well-informed buyers or sellers of the property.

Example. You give a rare, old book to your former college. The book is a third edition and is in poor condition because of a missing back cover. You discover that there was a sale for $300, near the valuation date, of a first edition of the book that was in good condition. Although the contents are the same, the books are not at all similar because of the different editions and their physical condition. Little consideration would be given to the selling price of the $300 property by knowledgeable buyers or sellers.

Future Events
You may not consider unexpected events happening after your donation of property in making the valuation. You may consider only the facts known at the time of the gift, and those that could be reasonably expected at the time of the gift.

Example. You give farmland to a qualified charity. The transfer provides that your mother will have the right to all income and full use of the property for her life. Even though your mother dies 1 week after the transfer, the value of the property on the date it is given is its present value, subject to the life interest as estimated from actuarial tables. You may not take a higher deduction because the charity received full use and possession of the land only 1 week after the transfer.

Using Past Events to Predict the Future
A common error is to rely too much on past events that do not fairly reflect the probable future earnings and FMV.

Example. You give all your rights in a successful patent to your favorite charity. Your records show that before the valuation date there were three stages in the patent’s history of earnings. First, there was rapid growth in earnings when the invention was introduced. Then, there was a period of high earnings when the invention was being exploited. Finally, there was a decline in earnings when competing inventions were introduced. The entire history of earnings may be relevant in estimating the future earnings. However, the appraiser must not rely too much on the stage of rapid growth in earnings, or of high earnings. The market conditions at those times do not represent the condition of the market at the valuation date. What is most significant is the trend of decline in earnings up to the valuation date. For more information about durations of patents, see Patents, later.

Valuation of Various Kinds of Property
This section contains information on determining the FMV of ordinary kinds of donated property. For information on appraisals, see Appraisals, later.

Household Goods
The FMV of used household goods, such as furniture, appliances, and linens, is usually much lower than the price paid when new. Such used property may have little or no market value because of its worn condition. It may be out of style or no longer useful.

You cannot take a deduction for household goods donated after August 17, 2006, unless they are in good used condition or better. A household good that is not in good used condition or better for which you take a deduction of more than $500 requires a qualified appraisal. See Deduction over $500 for certain clothing or household items, later.

If the property is valuable because it is old or unique, see the discussion under Paintings, Antiques, and Other Objects of Art.

Used Clothing
Used clothing and other personal items are usually worth far less than the price you paid for them. Valuation of items of clothing does not lend itself to fixed formulas or methods. The price that buyers of used items actually pay in used clothing stores, such as donation or thrift shops, is an indication of the value. You cannot take a deduction for clothing donated after August 17, 2006, unless it is in good used condition or better. An item of clothing that is not in good used condition or better for which you take a deduction of more than $500 requires a qualified appraisal. See Deduction over $500 for certain clothing or household items, later.

For valuable furs or very expensive gowns, a Form 8283 may have to be sent with your tax return.

Jewelry and Gems
Jewelry and gems are of such a specialized nature that it is almost always necessary to get art valued at $50,000 or more. This section contains information on determining the FMV of used household goods, such as jewelry and gems, but does not list every kind. For more information about jewelry and gems, see the discussion under Art, later.

Example. If the property is valuable because it is old or unique, see the discussion under Paintings, Antiques, and Other Objects of Art.

Used paintings
The authenticity of the donated art must be determined by a qualified appraiser. See Qualified Appraisal, later. A common error is to rely too much on past events that do not fairly reflect the probable future earnings and FMV. The authenticity of the donated art must be determined by a qualified appraiser. See Qualified Appraisal, later. A common error is to rely too much on past events that do not fairly reflect the probable future earnings and FMV.

Physical condition. Important items in the valuation of antiques and art are physical condition and extent of restoration. There has been a significant effect on the value and must be fully reported in an appraisal. An antique in damaged condition, or lacking the “original brasses,” may be worth much less than a similar piece in excellent condition.

Art appraisers. More weight will usually be given to an appraisal prepared by an individual specializing in the kind and price range of the art being appraised. Certain art dealers or appraisers specialize, for example, in old masters, modern art, bronze sculpture, etc. Their opinions on the authenticity and desirability of such art would usually be given more weight than the opinions of more generalized art dealers or appraisers. They can report more recent comparable sales to support their opinion.

To identify and locate experts on unique, specialized items or collections, you may wish to use the current Official Museum Directory of the American Association of Museums. It lists museums both by state and by category.

To help you locate a qualified appraiser for your donation, you may wish to ask an art historian at a nearby college or the director or curator of a local museum. The Yellow Pages often list

Art valued at $20,000 or more. If you claim a deduction of $20,000 or more for donations of art, you must attach a complete copy of the signed appraisal to your return. For individual objects valued at $20,000 or more, a photograph of a size and quality fully showing the object, preferably an 8 x 10 inch color photograph or a color transparency no smaller than 4 x 5 inches, must be provided upon request.

Art valued at $50,000 or more. If you donate an item of art that has been appraised at $50,000 or more, you can request a Statement of Value for that item from the IRS. You must request the statement before filing the tax return that reports the donation. Your request must include the following.

• A copy of a qualified appraisal of the item. See Qualified Appraisal, later.

• A $2,500 check or money order payable to the Internal Revenue Service for the user fee that applies to your request regarding one, two, or three items of art. Add $250 for each item in excess of three.

• A completed Form 8283, Section B.

• The location of the IRS territory that has jurisdiction over your art.

If your request lacks essential information, you will be notified and given 30 days to provide the missing information.

Send your request to:
Internal Revenue Service
Attention: Art Appraisal (C:AP:ART)
P.O. Box 27725
McPherson Station
Washington, DC 20038

Refunds. You can withdraw your request for a Statement of Value at any time before it is issued. However, the IRS will not refund the user fee if you do.

If the IRS declines to issue a Statement of Value in the interest of efficient tax administration, the IRS will refund the user fee.

Authenticity. The authenticity of the donated art must be determined by a qualified appraiser. See Qualified Appraisal, later. A common error is to rely too much on past events that do not fairly reflect the probable future earnings and FMV. The authenticity of the donated art must be determined by a qualified appraiser. See Qualified Appraisal, later. A common error is to rely too much on past events that do not fairly reflect the probable future earnings and FMV.
specialized art and antique dealers, auctioneers, and art appraisers. You may be able to find a qualified appraiser on the Internet. You may also contact associations of dealers for guidance.

Collections

Since many kinds of hobby collections may be the subject of the possible donation, it is not possible to discuss all of the possible collectibles in this publication. Most common are rare books, art, coins, stamps, and patents. Collectors who specialize in certain areas, such as pricing guide for a private party sale, not the bonds on a stock exchange, in an active market for the contributed stocks or bonds on the valuation date. See more information, see Publication 526.

Stamp collections. Most libraries have catalogs, dealers’ price lists, and specialized hobby periodicals. When using one of these price guides, you must use the current edition at the date of the donation. If there is a great difference in the value between two diaries that were kept by a famous person—one kept during childhood and the other during a later period in his or her life. The appraisal establishes a category for coins, based on their physical condition—mint or uncirculated, extremely fine, very fine, fine, very good, good, fair, or poor—with a different valuation for each category.

Books. The value of books is usually determined by selecting comparable sales and adjusting the prices according to the differences between the comparable sales and the item being evaluated. This is difficult to do, and, except for a collection of little value, should be done by a specialized appraiser. When the general category of literary property, there are dealers who specialize in certain areas, such as Americana, foreign imports, Bibles, and scientific books.

Modest value of collection. If the collection you are donating is of modest value, not requiring a written appraisal, the following information may help you in determining the FMV. A book that is very old, or very rare, is not necessarily valuable. There are many books that are very old or rare, but that have little or no market value.

Condition of book. The condition of a book may have a great influence on its value. Collectors are interested in items that are in fine, or at least, condition. When a book has a missing page, a loose binding, tears, stains, or is otherwise in poor condition, its value is greatly lowered. Other factors. Some other factors in the valuation of a book are the kind of binding (cloth, paper, page edges, and illustrations (drawings and photographs). Collectors usually want first editions of books. However, because of changes or additions, other conditions are sometimes worth as much as, or more than, the first edition.

References. Material. Publications available to help you determine the value of many kinds of collections include catalogs, dealers’ price lists, and specialized hobby periodicals. When using one of these price guides, you must use the current edition at the date of the donation. If there is a great difference in the value between two diaries that were kept by a famous person—one kept during childhood and the other during a later period in his or her life. The appraisal establishes a category for coins, based on their physical condition—mint or uncirculated, extremely fine, very fine, fine, very good, good, fair, or poor—with a different valuation for each category.
over-the-counter market, or elsewhere, the FMV of each share or bond is the average price between the highest and lowest quoted selling prices on the valuation date. For example, if the highest selling price for a share was $11, and the lowest $9, the average price is $10. You get the average price by adding $11 and $9 and dividing the sum by 2.

No sales on valuation date. If there were no sales on the valuation date, but there were sales within a reasonable period before and after the valuation date, you determine FMV by taking the average price between the highest and lowest sales prices on the nearest date before and on the nearest date after the valuation date. Then you weight these averages in inverse order by the respective number of trading days between the selling dates and the valuation date.

Example. On the day you gave stock to a qualified organization, there were no sales of the stock. Sales of the stock nearest the valuation date took place two trading days before the valuation date at an average selling price of $10 and three days after at an average selling price of $15. The FMV on the valuation date was $12, figured as follows:

\[
\frac{2 \times 10 + 3 \times 15}{5} = 12
\]

Listings on more than one stock exchange. Stocks or bonds listed on more than one stock exchange are valued based on the prices of the exchange on which they are principally dealt. This applies if these prices are published in a generally available listing or publication of general circulation. If this is not applicable, and the stocks or bonds are reported on a composite listing of combined exchanges in a publication of general circulation, use the composite list. See also Unavailable prices or closely held corporation, later.

Bid and asked prices on valuation date. If there were no sales within a reasonable period before and after the valuation date, the FMV is the average price between the bona fide bid and asked prices on the valuation date.

Example. Although there were no sales of Blue Corporation stock on the valuation date, the bid and asked prices were available on that date of $14 and $16, respectively. The FMV is $15, the average price between the bid and asked prices.

No prices on valuation date. If there were no prices available on the valuation date, you determine FMV by taking the average price between the bona fide bid and asked prices on the closest trading date before and after the valuation date. Both dates must be within a reasonable period. Then you weight these averages in inverse order by the respective number of trading days between the bid and asked dates and the valuation date.

Example. On the day you gave stock to a qualified organization, no prices were available. The bid and asked prices 3 days before the valuation date were $10 and 2 days after the valuation date were $15. The FMV on the valuation date is $13, figured as follows:

\[
\frac{2 \times 10 + 3 \times 15}{5} = 13
\]

Prices only before or after valuation date, but not both. If no selling prices or bona fide bid and asked prices are available on a date within a reasonable period before the valuation date, but are available on a date within a reasonable period after the valuation date, or vice versa, then the average price between the highest and lowest of such available prices may be treated as the value.

Large blocks of stock. When a large block of stock is put on the market, it may lower the selling price of the stock if the supply is greater than the demand. On the other hand, market forces may exist that will afford higher prices for large blocks of stock. Because of the many factors to be considered, determining the value of large blocks of stock usually requires the help of experts specializing in underwriting large quantities of securities, or in trading in the securities of the industry of which the particular company is a part.

Unavailable prices or closely held corporation. If selling prices or bid and asked prices are not available, or if securities of a closely held corporation are involved, determine the FMV by considering the following factors:

- For bonds, the soundness of the security, the interest yield, the date of maturity, and other relevant factors.
- For shares of stock, the company's net worth, prospective earning power and dividend-paying capacity, and other relevant factors.

Other factors. Other relevant factors include:

- The nature and history of the business, especially its recent history,
- The goodwill of the business,
- The economic outlook in the particular industry,
- The company's position in the industry, its competitors, and its management, and
- The value of securities of corporations engaged in the same or similar business.

For preferred stock, the most important factors are its yield, dividend coverage, and protection of its liquidation preference.

You should keep complete financial and other information on which the valuation is based. This includes copies of reports of examinations of the company made by accountants, engineers, or any technical experts on or close to the valuation date.

Restricted securities. Some classes of stock cannot be traded publicly because of restrictions imposed by the Securities and Exchange Commission, or by the corporate charter or a trust agreement. These restricted securities usually trade at a discount in relation to freely traded securities.

To arrive at the FMV of restricted securities, factors that you must consider include the resale provisions found in the restriction agreements, the relative negotiating strengths of the buyer and seller, and the market experience of freely traded securities of the same class as the restricted securities.

Real Estate

Because each piece of real estate is unique and its valuation is complicated, a detailed appraisal by a professional appraiser is necessary.

The appraiser must be thoroughly trained in the application of appraisal principles and theory. In some instances, a knowledgeable and equally qualified appraiser may carry unequal weight, such as when one appraiser has a better knowledge of local conditions.

The appraisal report must contain a complete description of the property, such as street address, legal description, and lot and block number, as well as physical features, condition, and dimensions. The use to which the property is put, zoning and permitted uses, and its potential use for other higher and better uses are also relevant.

In general, there are three main approaches to the valuation of real estate. An appraisal may require the combined use of two or three methods rather than one method only.

1. Comparable Sales

The comparable sales method compares the donated property with several similar properties that have been sold. The selling prices, after adjustments for differences in date of sale, size, condition, and location, would then indicate the estimated FMV of the donated property.

If the comparable sales method is used to determine the value of unimproved real property (land without significant buildings, structures, or any other improvements that add to its value), the appraiser should consider the following factors when comparing the potential comparable property and the donated property:

- Location, size, and zoning or use restrictions,
- Accessibility and road frontage, and available utilities and water rights,
- Riparian rights (right of access to and use of the water by owners of land on the bank of a river) and existing easements, rights-of-way, leases, etc.,
- Soil characteristics, vegetative cover, and status of mineral rights, and
- Other factors affecting value.

For each comparable sale, the appraisal must include the names of the buyer and seller, the deed book and page number, the date of sale and selling price, a property description, the amount and terms of mortgages, property surveys, the assessment value and the tax rate, and the assessor's appraised FMV.

The comparable selling prices must be adjusted to account for differences between the sale property and the donated property. Because differences of opinion may arise between appraisers as to the degree of comparability and the amount of the adjustment considered necessary for comparison purposes, an appraiser should document each item of adjustment.

Only comparable sales having the least adjustments in terms of items and/or total dollar adjustments should be considered as comparable to the donated property.
2. Capitalization of Income

This method capitalizes the net income from the property at a rate that represents a fair return on the particular investment at the particular time, considering the risks involved. The key elements are the determination of the income to be capitalized and the rate of capitalization.

3. Replacement Cost New or Reproduction Cost Minus Observed Depreciation

This method, used alone, usually does not result in a determination of FMV. Instead, it generally tends to set the upper limit of value, particularly in periods of rising costs, because it is reasonable to assume that an informed buyer will not pay more for the real estate than it would cost to reproduce a similar property. Of course, this reasoning does not apply if a similar property cannot be created because of location, unusual construction, or other reasons. Generally, this method serves to support the value determined from other methods. When the replacement cost method is applied to improved realty, the land and improvements are valued separately.

The replacement cost of a building is figured by considering the materials, the quality of workmanship, and the number of square feet or cubic feet in the building. This cost represents the total cost of labor and material, overhead, and profit. After the replacement cost has been figured, consideration must be given to the following factors:

- Physical deterioration—the wear and tear on the building itself,
- Functional obsolescence—usually in older buildings with, for example, inadequate lighting, plumbing, or heating, small rooms, or a poor floor plan, and
- Economic obsolescence—outside forces causing the whole area to become less desirable.

Interest in a Business

The FMV of any interest in a business, whether a sole proprietorship or a partnership, is the amount that a willing buyer would pay for the interest to a willing seller after consideration of all relevant factors. The relevant factors to be considered in valuing the business are:

- The FMV of the assets of the business,
- The demonstrated earnings capacity of the business, based on a review of past and current earnings, and
- The other factors used in evaluating corporate stock, if they apply.

The value of the goodwill of the business should also be taken into consideration. You should keep complete financial and other information on which you base the valuation. This includes copies of reports of examinations of the business made by accountants, engineers, or any technical experts on or close to the valuation date.

Annuities, Interests for Life or Terms of Years, Remainders, and Reversions

The value of these kinds of property is their present value, except in the case of annuities under contracts issued by companies regularly engaged in their sale. The valuation of these commercial annuity contracts and of insurance policies is discussed later under Certain Life Insurance and Annuity Contracts.

To determine present value, you must know the applicable interest rate and use actuarial tables.

Interest rate. The applicable interest rate varies. It is announced monthly in a news release and published in the Internal Revenue Bulletin as a Revenue Ruling. The interest rate to use is the “Applicable Federal Rate Under Section 1274” for a given month and year. You can call the IRS office at 1-800-829-1040 to obtain this rate.

Actuarial tables. You need to refer to actuarial tables to determine a qualified interest in the form of an annuity, any interest for life or a term of years, or any remainder interest to a charitable organization.

Use the valuation tables set forth in IRS Publications 1457, Actuarial Values (Book Aleph), and 1458, Actuarial Values (Book Beth). Both of these publications provide tables containing actuarial factors to be used in determining the present value of an annuity, an interest for life or for a term of years, or a remainder or reversionary interest. For qualified charitable transfers, you can use the factor for the month in which you made the contribution or for either of the 2 months preceding that month.

Publication 1457 also contains actuarial factors for computing the value of a remainder interest in a charitable remainder unitrust and a pooled income fund. Publication 1458 contains the factors for valuing the remainder interest in a charitable remainder unitrust. Publication 1457 and 1458 from www.irs.gov. In addition, they are available for purchase via the website of the U.S. Government Printing Office, by phone at (202) 512-1800, or by mail from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954.

Tables containing actuarial factors for transfers to pooled income funds may also be found in Income Tax Regulation 1.642(c)-6(d)(6), transfers to charitable remainder unitrusts in Regulation 1.664-4(e), and other transfers in Regulation 16.2031-7(d)(6).

Special factors. If you need a special factor for an actual transaction, you can request a letter ruling. Be sure to r e . Under the date of birth on the building itself, the property, or the building itself, the 2 months preceding that month. For more information about requesting a ruling, see Revenue Procedure 2006-1 (or annual update), 2006-1 I.R.B. 1. Revenue Procedure 2006-1 is available at www.irs.gov/irb/2006-01_IRB/ar06.html.

For information on the circumstances under which a charitable deduction may be allowed for the donation of a partial interest in property not in trust, see Partial Interest in Property Not in Trust, later.

Certain Life Insurance and Annuity Contracts

The value of an annuity contract or a life insurance policy issued by a company regularly engaged in the sale of such contracts or policies is the amount that company would charge for a comparable contract.

But if the donor of a life insurance policy reasonably be expected to cash the policy rather than hold it as an investment, then the FMV is the cash surrender value rather than the replacement cost.

If an annuity is payable under a combination annuity contract and life insurance policy (for example, a retirement income policy with a death benefit) and there is a pooled income fund, consider that the income element when it was transferred to the charity, the policy is treated as an annuity contract.

Partial Interest in Property Not in Trust

Generally, no deduction is allowed for a charitable contribution not made in trust, of less than your entire interest in property. However, this does not apply to a transfer of less than your entire interest if it is a transfer of:

- A remainder interest in your personal residence or farm,
- An undivided part of your entire interest in property, or
- A qualified conservation contribution.

Remainder Interest in Real Property

The amount of the deduction for a donation of a remainder interest in real property is the FMV of the remainder interest at the time of the contribu- tion. To determine this value, you must know the FMV of the property on the date of the contribution. Multiply this value by the appropriate factor. Publications 1457 and 1458 contain these factors.

You must make an adjustment for depreciation or depletion using the factors shown in Publication 1459, Actuarial Values (Book Gimel). You can use the factors for the month in which you made the contribution or for either of the two months preceding that month. See the earlier discussion on Annuitics, Interests for Life or Terms of Years, Remainders, and Reversions.

You can download Publication 1459 from www.irs.gov. For this purpose, the term “depreciable property” means any property subject to wear and tear on obsolescence, even if not used in a trade or business or for the production of income.

If the remainder interest includes both depreciable and nondepreciable property, for example a house and land, the FMV must be allocated between each kind of property at the time of the contribution. This rule also applies to
a gift of a remainder interest that includes prop-
erty that is part depletable and part not deplet-
able. Take into account depreciation or deple-
tion only for the property that is subject to
depreciation or depletion.

For more information, see section 1.170A-12
of the Income Tax Regulations.

Undivided Part of Your Entire Interest

A contribution of an undivided part of your entire
interest in property must consist of a part of each
and every substantial interest or right you own in
the property. It must extend over the entire term
of your interest in the property. For example, you
are entitled to the income from certain property
for your life (life estate) and you contribute 20%
of that life estate to a qualified organization. You
can claim a deduction for the contribution if you
do not have any other interest in the property. To
figure the value of a contribution involving a
partial interest, see Publication 1457.

If the only interest you own in real property is
a remainder interest and you transfer part of that
interest to a qualified organization, see the pre-
vious discussion on valuation of a remainder
interest in real property.

Qualified Conservation Contribution

A qualified conservation contribution is a contri-
bution of a qualified real property interest to a
qualified organization to be used only for con-
servation purposes.

Qualified organization. For purposes of a
qualified conservation contribution, a qualified
organization is:

A governmental unit,

A publicly supported charitable, religious,
scientific, literary, educational, etc., organi-
ization, or

An organization that is controlled by, and
operated for the exclusive benefit of, a
governmental unit or a publicly supported
charity.

The organization also must have a commitment
to protect the conservation purposes of the do-
nation and must have the resources to enforce
the restrictions.

Conservation purposes. Your contribution
must be made only for one of the following con-
servation purposes.

Preserving land areas for outdoor recrea-
tion by, or for the education of, the general
public.

Protecting a relatively natural habitat of
fish, wildlife, or plants, or a similar ecosys-
tem.

Preserving open space, including farmland
and forest land, if it yields a significant
public benefit. It must be either for the
scenic enjoyment of the general public or
under a clearly defined federal, state, or
local governmental conservation policy.

Preserving a historically important land
area or a certified historic structure. There
must be some visual public access to the
property. Factors used in determining the
type and amount of public access required
include the historical significance of the
property, the remoteness or accessibility of
the site, and the extent to which intru-
sions on the privacy of individuals living on
the property would be unreasonable.

Building in registered historic district. A
contribution after July 25, 2006, of a qualified
real property interest that is an easement or
other restriction on the exterior of a building in
a registered historic district is deductible only if it
meets all of the following three conditions.

1. The restriction must preserve the entire ex-
terior of the building and must prohibit any
change to the exterior of the building that
is inconsistent with its historical character.

2. You and the organization receiving the
contribution must enter into a written
agreement certifying, that the organization
is a qualified organization and that it has
the resources and commitment to maintain
the property as donated.

3. If you make the contribution in a tax year
beginning after August 17, 2006, you must
include with your return:

a. A qualified appraisal,

b. Photographs of the building’s entire ex-
terior, and

c. A description of all restrictions on devel-
opment of the building, such as zoning
laws and restrictive covenants.

If you make this type of contribution after
February 12, 2007, and claim a deduction
of more than $10,000, your deduction will not be
allowed unless you pay a $500 filing fee. See
Form 8283-V, Payment Voucher for Filing Fee
Under Section 170(f)(13), and its instructions.

Qualified real property interest. This is any
of the following interests in real property.

1. Your entire interest in real estate other
than a mineral interest (subsurface oil,
gas, or other minerals, and the right of
access to these minerals).

2. A remainder interest.

3. A restriction (granted in perpetuity) on
the use that may be made of the real property.

Valuation. A qualified real property interest
described in (1) should be valued in a manner
that is consistent with the type of interest trans-
ferred. If you transferred all the interest in the
property, the FMV of the property is the amount
of the contribution. If you do not transfer the
mineral interest, the FMV of the surface rights
in the property is the amount of the contribution.

If you owned only a remainder interest or an
income interest (life estate), see Undivided Part
of Your Entire Interest, earlier. If you owned the
entire property but transferred only a remainder
interest (item (2)), see Remainder Interest in
Real Property, earlier.

In determining the value of restrictions, you
should take into account the selling price in
arm’s-length transactions of other properties
that have comparable restrictions. If there are no
comparable sales, the restrictions are valued
indirectly as the difference between the FMVs of
the property involved before and after the grant
of the restriction.

The FMV of the property before contribution
of the restriction should take into account not
only current use but the likelihood that the prop-
erty, without the restriction, would be developed.
You should also consider any zoning, conserva-
tion, or historical preservation laws that would
restrict development. Granting an easement
may increase, rather than reduce, the value of
property, and in such a situation no deduction
would be allowed.

Example. You own 10 acres of farmland.
Similar land in the area has an FMV of $2,000 an
acre. However, land in the general area that is
restricted solely to farm use has an FMV of
$1,500 an acre. Your county wants to preserve
open space and prevent further development in
your area.

You grant to the county an enforceable open
space easement in perpetuity on 8 of the 10
acres, restricting its use to farmland. The value
of this easement is $4,000, determined as fol-
lows:

FMV of the property before
granting easement: $2,000 × 10 acres ............ $20,000
FMV of the property after
granting easement: $1,500 × 8 acres ............ $12,000
$2,000 × 2 acres ............ 4,000
$16,000

Value of easement ............ $4,000

If you later transfer in fee your remaining
interest in the 8 acres to another qualified organi-
zation, the FMV of your remaining interest is the
FMV of the 8 acres reduced by the FMV of the
easement granted to the first organization.

More information. For more information
about qualified conservation contributions, see
Publication 526.

Appraisals

Appraisals are not necessary for items of prop-
erty for which you claim a deduction of $5,000 or
less. (There is one exception, described next,
for certain clothing and household items.) How-
ever, you generally will need an appraisal for
donated property for which you claim a deduc-
tion of more than $5,000. There are exceptions.
See Deductions of More Than $5,000, later.

The weight given an appraisal depends on the
completeness of the report, the qualifica-
tions of the appraiser, and the appraiser’s
demonstrated knowledge of the donated prop-
erty. An appraisal must give all the facts on
which to base an intelligent judgment of the
value of the property.

The appraisal will not be given much weight
if:

• All the factors that apply are not consid-
ered,

• The opinion is not supported with facts,
such as purchase price and comparable
sales, or
The opinion is not consistent with known facts.

The appraiser’s opinion is never more valid than the facts on which it is based; without these facts it is simply a guess.

The opinion of a person claiming to be an expert is not binding on the Internal Revenue Service. All facts associated with the donation must be considered.

Deduction over $500 for certain clothing or household items. You must include with your return a qualified appraisal of any single item of clothing or any household item that is not in good used condition or better, that you donated after August 17, 2006, and for which you deduct more than $500. See Household Goods and Used Clothing, earlier.

Cost of appraisals. You may not take a charitable contribution deduction for fees you pay for appraisals of your donated property. However, these fees may qualify as a miscellaneous deduction, subject to the 2% limit, on Schedule A (Form 1040) if paid to determine the amount allowable as a charitable contribution.

Deductions of More Than $5,000 Generally, if the claimed deduction for an item or group of similar items of donated property is more than $5,000, you must get a qualified appraisal made by a qualified appraiser, and you must attach Section B of Form 8283 to your tax return. There are exceptions, discussed later. You should keep the appraiser’s report with your written records. Records are discussed in Publication 526.

The phrase “similar items” means property of the same generic category or type (whether or not donated to the same donee), such as stamp collections, coin collections, lithographs, paintings, photographs, books, nonpublicly traded stock, nonpublicly traded securities other than nonpublicly traded stock, land, buildings, clothing, jewelry, furniture, electronic equipment, household appliances, toys, everyday kitchenware, china, crystal, or silver. For example, if you give books to three schools and you deduct $2,000, $2,500, and $900, respectively, your claimed deduction is more than $5,000 for these books. You must get a qualified appraisal of the books and for each school you must attach a fully completed Form 8283, Section B, to your tax return.

Exceptions. You do not need an appraisal if the property is:

- Nonpublicly traded stock of $10,000 or less
- A vehicle (including a car, boat, or airplane) for which your deduction is limited to the gross proceeds from its sale
- Qualified intellectual property, such as a patent
- Certain publicly traded securities described next
- Inventory and other property donated by a corporation that are “qualified contributions” for the care of the ill, the needy, or infants, within the meaning of section 170(e)(3)(A) of the Internal Revenue Code, or
- Stock in trade, inventory, or property held primarily for sale to customers in the ordinary course of your trade or business.

Although an appraisal is not required for the types of property just listed, you must provide certain information about a donation of any of these types of property on Form 8283.

Publicly traded securities. Even if your claimed deduction is more than $5,000, neither a qualified appraisal of publicly traded securities nor a qualified appraisal of nonpublicly traded stock, for which you claim a deduction of $10,000 or less, is required. However, you must attach Form 8283 to your tax return, with Section B, Parts I and IV, completed.

Qualified Appraisal

Generally, if the claimed deduction for an item or group of similar items of donated property is more than $5,000, you must get a qualified appraisal made by a qualified appraiser. You must also complete Form 8283, Section B, and attach it to your tax return. See Deductions of More Than $5,000, earlier.

A qualified appraisal is an appraisal document that:

- Is made, signed, and dated by a qualified appraiser (defined later) in accordance with generally accepted appraisal standards
- Relates to an appraisal made not earlier than 60 days before the date of contribution of the appraised property
- Does not involve a prohibited appraisal fee, and
- Includes certain information (covered later).

You must receive the qualified appraisal before the due date, including extensions, of the return on which a charitable contribution deduction is first claimed for the donated property. If the deduction is first claimed on an amended return, the qualified appraisal must be received
before the date on which the amended return is filed.

Form 8283, Section B, must be attached to your tax return. Generally, you do not need to attach the qualified appraisal itself, but you should keep a copy as long as it may be relevant under the tax law. There are four exceptions.

- If you claim a deduction of $20,000 or more for donation of property, you must attach a complete copy of the appraisal. See Paintings, Antiques, and Other Objects of Art, earlier.
- If you claim a deduction of more than $500,000 for a donation of property, you must attach the appraisal. See Deductions of More Than $500,000, earlier.
- If you claim a deduction of more than $500 for art or collectors' items, or for household property, that is not in good used condition or better, that you donated after August 17, 2006, you must attach the appraisal. See Deduction over $500 for certain clothing or household items, earlier.
- If you claim a deduction in a tax year beginning after August 17, 2006, for an easement or other restriction on the exterior of a building in a historic district, you must attach the appraisal. See Building in registered historic district, earlier.

Prohibited appraisal fee. Generally, no part of the fee arrangement for a qualified appraisal can be based on a percentage of the appraised value of the property. If a fee arrangement is based on what is allowed as a deduction, after Internal Revenue Service examination or otherwise, it is treated as a fee based on a percentage of appraised value. However, appraisals are not disqualified when an otherwise prohibited fee is paid to a generally recognized association that regulates appraisers if:

- The association is not organized for profit and no part of its net earnings benefits any private shareholder or individual,
- The appraiser does not receive any compensation from the association or any other persons for making the appraisal, and
- The fee arrangement is not based in whole or in part on the amount of the appraised value that is allowed as a deduction after an Internal Revenue Service examination or otherwise.

Information included in qualified appraisal. A qualified appraisal must include the following information:

1. A description of the property in sufficient detail to identify the property that was (or will be) contributed.
2. The physical condition of any tangible property.
3. The date (or expected date) of contribution.
4. The terms of any agreement or understanding entered into (or expected to be entered into) by or on behalf of the donor that relates to the use, sale, or other disposition of the donated property, including, for example, the terms of any agreement or understanding that:
   a. Temporarily or permanently restricts a donee’s right to use or dispose of the donated property,
   b. Earns a donated property for a particular use, or
   c. Reserves to, or confers upon, anyone (other than a donee organization or an organization participating with a donee organization in cooperative fundraising) any right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having the income, possession, or right to acquire the property.
5. The name, address, and taxpayer identification number of the qualified appraiser and, if the appraiser is a partner, an employee, or an independent contractor engaged by a person other than the donor, the name, address, and taxpayer identification number of the partnership or the person who employs or engages the appraiser.
6. The qualifications of the qualified appraiser who signs the appraisal, including the appraiser’s background, experience, education, and any membership in professional appraisal associations,
7. A statement that the appraisal was prepared for income tax purposes,
8. The date (or dates) on which the property was valued,
9. The appraisal FMV on the date (or expected date) of contribution.
10. The method of valuation used to determine FMV, such as the income approach, the comparable sales or market data approach, or the replacement cost less depreciation approach, and
11. The specific basis for the valuation, such as any specific comparable sales transaction.

Art objects. The following are examples of information that should be included in a description of donated property. These examples are for art objects. A similar detailed breakdown should be given for other property. Appraisals of art objects—paintings in particular—should include all of the following:

1. A complete description of the object, indicating the:
   a. Size,
   b. Subject matter,
   c. Medium,
   d. Name of the artist (or culture), and
   e. Approximate date created.
2. The cost, date, and manner of acquisition.
3. A history of the item, including proof of authenticity.
4. A professional quality image of the object.
5. The facts on which the appraisal was based, such as:
   a. Sales or analyses of similar works by the artist, particularly on or around the valuation date.
   b. Quoted prices in dealer’s catalogs of the artist’s works or works of other artists of comparable stature.
   c. A record of any exhibitions at which the specific art object had been displayed.
   d. The economic state of the art market at the time of valuation, particularly with respect to the specific property.
   e. The standing of the artist in his profession and in the particular school or time period.

Number of qualified appraisals. A separate qualified appraisal is required for each item of property that is not included in a group of similar items of property. You need only one qualified appraisal for a group of similar items of property contributed in the same tax year, but you may get separate appraisals for each item. A qualified appraisal for a group of similar items must provide all of the required information for each item of similar property. The appraiser, however, may provide a group description for selected items the total value of which is not more than $100.

Qualified appraiser. A qualified appraiser is an individual who meets all the following requirements.

1. The individual either:
   a. Has earned an appraisal designation from a recognized professional appraiser organization for demonstrated competency in valuing the type of property being appraised, or
   b. Has met certain minimum education and experience requirements. For real property, the appraiser must be licensed or certified for the type of property being appraised in the state in which the property is located. For property other than real property, the appraiser must have successfully completed college or professional-level coursework relevant to the property being valued, must have at least 2 years of experience in the trade or business of buying, selling, or valuing the type of property being valued, and must fully describe in the appraisal his or her qualifying education and experience.
2. The individual regularly prepares appraisals for which he or she is paid.
3. The individual demonstrates verifiable education and experience in valuing the type of property being appraised. To do this, the appraiser can make a declaration in the
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1. The appraiser knows or should have known the appraisal would be used in connection with a return or claim for refund, and
2. The appraisal results in the 20% or 40% penalty for a valuation misstatement described later under Penalty. The penalty imposed on the appraiser is the smaller of:
   a. 10% of the underpayment due to the misstatement, or
   b. $1,000, or
   2. 125% of the gross income received for the appraisal.
   In addition, any appraiser who falsely or fraudulently overstates the value of property described in a qualified appraisal of a Form 8283 that the appraiser has signed may be subject to a civil penalty for aiding and abetting as understatement of tax liability, and may have his or her appraisal disregarded.

Form 8283
Generally, if the claimed deduction for an item of donated property is more than $5,000, you must attach Form 8283 to your tax return and complete Section B. If you do not attach Form 8283 to your return and complete Section B, the deduction will not be allowed unless your failure was due to reasonable cause, and not willful neglect, or was due to a good faith omission. If the IRS requests that you submit the form because you did not attach it to your return, you must comply within 90 days of the request or the deduction will be disallowed.

You must attach a separate Form 8283 for each item of contributed property that is not part of a group of similar items. If you contribute similar items of property to the same donee organization, you need attach only one Form 8283 for those items. If you contribute similar items of property to more than one donee organization, you must attach a separate form for each donee.

Internal Revenue Service Review of Appraisals
In reviewing an income tax return, the Service may accept the claimed value of the donated property, based on information or appraisals sent with the return, or may make its own determination of FMV. In either case, the Service may:

- Contact the taxpayer to get more information,
- Refer the valuation problem to a Service appraiser or valuation specialist,
- Refer the issue to the Commissioner’s Art Advisory Panel (a group of dealers and museum directors who review and recommend acceptance or adjustment of taxpayers’ claimed values for major paintings, sculptures, decorative arts, and antiques), or
- Contract with an independent dealer, scholar, or appraiser to appraise the property when the objects require appraisers of highly specialized experience and knowledge.

Responsibility of the Service. The Service is responsible for reviewing appraisals, but it is not responsible for making them. Supporting the FMV listed on your return is your responsibility.

The Service does not accept appraisals without question. Nor does the Service recognize any particular appraiser or organization of appraisers.

Timing of Service action. The Service generally does not approve valuations or appraisals before the actual filing of the tax return to which the appraisal applies. In addition, the Service generally does not issue advance rulings approving or disapproving such appraisals.

Exception. For a request submitted as described earlier under Art valued at $50,000 or more, the Service will issue a Statement of Value that can be relied on by the donor of the item of art.

Penalty
You may be liable for a penalty if you overstate the value or adjusted basis of donated property.

20% penalty. The penalty is 20% of the underpayment of tax related to the overstatement if:

- The value or adjusted basis claimed on the return is 200% (150% for returns filed after August 17, 2006) or more of the correct amount, and
- You underpaid your tax by more than $5,000 because of the overstatement.

40% penalty. The penalty is 40%, rather than 20%, if:

- The value or adjusted basis claimed on the return is 400% (200% for returns filed after August 17, 2006) or more of the correct amount, and
- You underpaid your tax by more than $5,000 because of the overstatement.
How To Get Tax Help
You can get help with unresolved tax issues, order free publications and forms, ask tax questions, and get information from the IRS in several ways. By selecting the method that is best for you, you will have quick and easy access to tax help.

Contacting your Taxpayer Advocate. The Taxpayer Advocate Service is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should.

You can contact the Taxpayer Advocate Service by calling toll-free 1-877-777-4778 or TTY/TDD 1-800-829-4059 to see if you are eligible for assistance. You can also call or write to your local taxpayer advocate, whose phone number and address are listed in your local telephone directory and in Publication 1546, The Taxpayer Advocate Service of the IRS - How To Get Help With Unresolved Tax Problems. You can file Form 911, Application for Taxpayer Assistance Order, or ask an IRS employee to complete it on your behalf. For more information, go to www.irs.gov/advocate.

Low income tax clinics (LITCs). LITCs are independent organizations that provide low income taxpayers with representation in federal tax controversies with the IRS for free or for a nominal charge. The clinics also provide tax education and outreach for taxpayers with limited English proficiency or who speak English as a second language. Publication 4134, Low Income Taxpayer Clinic List, provides information on clinics in your area. It is available at www.irs.gov or at your local IRS office.

Free tax services. To find out what services are available, get Publication 910, IRS Guide to Free Tax Services. It contains a list of free tax publications and describes other free tax information services, including tax education and assistance programs and a list of TeleTax topics.

Internet. You can access the IRS website at www.irs.gov 24 hours a day, 7 days a week to:

- E-file your return. Find out about commerical tax preparation and e-file services available free to eligible taxpayers.
- Check the status of your 2006 refund. Click on Where’s My Refund? Wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically). Have your 2006 tax return available because you will need to know your social security number, your filing status, and the exact whole dollar amount of your refund.
- Download forms, instructions, and publications.
- Order IRS products online.
- Research your tax questions online.
- Search publications online by topic or keyword.
- View Internal Revenue Bulletins (IRBs) published in the last few years.
- Figure your withholding allowances using our withholding calculator.
- Sign up to receive local and national tax publications and descriptions of other free tax information or call 1-800-829-1954. Be sure to order current-year forms, instructions, and publications, and prior-year forms and instructions. You should receive your order within 10 days.
- Asking tax questions. Call the IRS with your tax questions at 1-800-829-1040.
- Solving problems. You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your tax account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to www.irs.gov/localcontacts or look in the phone book under United States Government, Internal Revenue Service.
- TTY/TDD equipment. If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax questions or to order forms and publications.
- TeleTax topics. Call 1-800-829-4477 to listen to pre-recorded messages covering various tax topics.
- Refund information. To check the status of your 2006 refund, call 1-800-829-4477 and press 1 for automated refund information or call 1-800-829-1954. Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically). Have your 2006 tax return available because you will need to know your social security number, your filing status, and the exact whole dollar amount of your refund.

Evaluating the quality of our telephone services. To ensure IRS representatives give accurate, courteous, and professional answers, we use several methods to evaluate the quality of our telephone services. One method is for a second IRS representative to listen in on or record random telephone calls. Another is to ask some callers to complete a short survey at the end of the call.

Walk-in. Many products and services are available on a walk-in basis.

- Products. You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Some IRS offices, libraries, grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of products available to print from a CD or photocopy from reproducible proofs. Also, some IRS offices and libraries have the Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.
- Services. You can walk in to your local Taxpayer Assistance Center every business day for personal, face-to-face tax help. An employee can explain IRS letters, request adjustments to your tax account, or help you set up a payment plan. If you need to resolve a tax problem, have questions about how the tax law applies to your individual tax return, or you’re more comfortable talking with someone in person, visit your local Taxpayer Assistance Center where you can spread out your records and talk with an IRS representative face-to-face. No appointment is necessary, but if you prefer, you can call your local Center and leave a message requesting an appointment to resolve a tax account issue. A representative will call you back within 2 business days to schedule an in-person appointment at your convenience. To find the number, go to www.irs.gov/localcontacts or look in the phone book under United States Government, Internal Revenue Service.

Mail. You can send your order for forms, instructions, and publications to the address below. You should receive a response within 10 business days after your request is received.

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- All the business tax forms, instructions, and publications needed to successfully manage a business.
- Tax law changes for 2006.
- Tax Map: an electronic research tool and finding aid.
- Web links to various government agencies, business associations, and IRS organizations.
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- A site map of the CD to help you navigate the pages of the CD with ease.
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