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Strategic Integrated Planning

Appraisal Requirements for Noncash Charitable Contributions

As someone who regularly makes charitable contributions, you may be aware that charitable contributions of property in excess of \$5,000 require that you attach an appraisal to your tax return. In response to gross valuation misstatements, the IRS has tightened the definition of a qualified appraisal and qualified appraiser.

The IRS has determined that a qualified appraisal is one that is conducted by a qualified appraiser in accordance with generally accepted appraisal standards. A qualified appraiser is an individual who:

1. Has earned an appraisal designation from a recognized professional appraisal organization or has otherwise met the minimum education and experience required by the IRS,
2. Regularly performs appraisals for which the individual receives compensation,
3. Demonstrates education and experience in valuing the type of property subject to the appraisal, and
4. Has not been prohibited from practicing before the IRS at any time during the three years prior to the appraisal.

In addition, the appraisal must be made not more than 60 days before the date the appraised property is contributed to a charitable organization, and not later than the time it must be received by the donor.

However, to ensure that you get the full advantage of the value of the appreciated property, it is important to recognize the IRS requirements regarding the appraisal and plan accordingly. We can assist you in planning for your charitable contributions.

Please call our office at your earliest convenience to arrange an appointment. 1-866-657-0246 or jwaage@strategiclawgroup.com