



## Charitable Donations from IRAs for 2012 and 2013

The American Taxpayer Relief Act of 2012 (ATRA) extended the qualified charitable distribution (QCD) provisions for 2012 and 2013. Several special transition rules were included in ATRA to enable taxpayers to have a donation made before February 1, 2013, treated as a 2012 QCD.

A QCD is an otherwise taxable distribution from an IRA (other than an ongoing SEP or SIMPLE IRA) owned by an individual who is age 70½ or over that is paid directly from the IRA to a qualified charity. An IRA owner can exclude from gross income up to \$100,000 of a QCD made for a year, and a QCD can be used to satisfy any IRA required minimum distributions (RMDs) for the year. Also, the amount of a QCD excluded from gross income is not taken into account in determining any deduction for charitable contributions. (See [Notice 2007-7](#), Section IX, for additional information on QCDs.)

### 2012 QCDs Made in January 2013

An IRA owner can treat a contribution made to a qualified charity in January 2013 as a 2012 QCD in either of the following circumstances:

- l The contribution is a cash contribution to the charity of all or a portion of an IRA distribution made to the IRA owner in December 2012, provided that the contribution would have been a 2012 QCD if it had been paid directly from the IRA to the charity in 2012.
- l The contribution is paid directly from the IRA to the charity, provided that the contribution would have been a 2012 QCD if it had been paid in 2012.

IRA owners should keep records to substantiate the timing of contributions and distributions regarding any 2012 QCD made in January 2013.

A QCD made in January 2013 that is treated as a 2012 QCD will satisfy the IRA owner's unmade 2012 RMD if the amount of the QCD equals or exceeds the 2012 RMD. However, no part of such a QCD can be used to satisfy the 2013 RMD, even if the 2012 RMD had already been made. In determining the RMD for 2013, the 2012 QCD must be subtracted from the December 31, 2012, IRA account balance(s).

### Reporting

*Form 1099-R* – IRA trustees must report distributions as follows:

- l Distributions made in 2012 are reported on a 2012 Form 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*; and
- l Distributions made in 2013, including any 2012 QCDs made in January 2013, are reported on a 2013 Form 1099-R.

*Form 1040* – IRA owners must report 2012 QCDs made in January 2013 on their 2012 Form 1040 by:

- l including the full amount of the 2012 QCD (even if in excess of \$100,000) on line 15a; and
- l not including any amount on line 15b, but writing "QCD" next to line 15b.

Note. A 2012 QCD made in January 2013 must also be reported on the IRA owner's 2013 Form 1040. These reporting requirements will be reflected in the 2013 Instructions for Form 1040.

IRA owners must file a 2012 Form 8606, Nondeductible IRAs, with their 2012 Form 1040 if:

- l the 2012 QCD was from a traditional IRA, there was basis in the IRA owner's traditional IRA(s), and the IRA owner received a distribution from a traditional IRA in 2012, other than the 2012 QCD; or
- l the 2012 QCD was from a Roth IRA.

If a 2012 Form 8606 must be filed, the instructions to the form will describe how to report any 2012 QCD made in January 2013.

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