

Tax-Free Transfers to Charity Renewed For IRA Owners 70½ or Older; Rollovers This Month Can Still Count For 2012

WASHINGTON — Certain owners of individual retirement arrangements (IRAs) have a limited time to make tax-free transfers to eligible charities and have them count for tax-year 2012, the Internal Revenue Service said today.

IRA owners age 70½ or older have until Thursday, Jan. 31 to make a direct transfer, or alternatively, if they received IRA distributions during December 2012, to contribute, in cash, part or all of the amounts received to an eligible charity.

The American Taxpayer Relief Act of 2012, enacted Jan. 2, extended for 2012 and 2013 the provision authorizing qualified charitable distributions (QCDs)—otherwise taxable distributions from an IRA owned by someone, 70½ or older, paid directly to an eligible charitable organization. Each year, the IRA owner can exclude from gross income up to \$100,000 of these QCDs. First available in 2006, this provision had expired at the end of 2011.

The QCD option is available regardless of whether an eligible IRA owner itemizes deductions on [Schedule A](#). Transferred amounts are not taxable and no deduction is available for the transfer. QCDs are counted in determining whether the IRA owner has met his or her IRA required minimum distributions for the year.

For tax-year 2012 only, IRA owners can choose to report QCDs made in January 2013 as if they occurred in 2012. In addition, IRA owners who received IRA distributions during December 2012 can contribute, in cash, part or all of the amounts distributed to eligible charities during January 2013 and have them count as 2012 QCDs.

QCDs are reported on [Form 1040](#) Line 15. The full amount of the QCD is shown on Line 15a. Do not enter any of these amounts on Line 15b but write “QCD” next to that line. [Details](#) are on [IRS.gov](#).

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