

New law allows U.S. taxpayers to take 2009 deduction for Haiti relief

WASHINGTON - Under a new U.S. tax law, people who have donated to charities providing relief to Haitians since the Jan. 12 earthquake can take a tax deduction for the contribution on their 2009 tax return instead of their 2010 return.

The measure was passed unanimously by the House Jan. 20 and by the Senate Jan. 21. President Barack Obama signed the bill into law Jan. 22.

“This measure provides an immediate benefit for those who have already given and incentive for those who are considering a charitable contribution. We must do everything we can to help the people of Haiti and the aid workers working so feverishly on the ground to help them,” said a Jan. 22 statement released by House Speaker Nancy Pelosi’s office.

In 2004 Congress passed similar legislation for contributions to aid agencies helping the victims of the tsunami in Indonesia.

According to an IRS announcement posted on www.irs.gov, the law allows donors to receive an immediate tax benefit, rather than having to wait until they file next year’s return, but certain requirements apply:

- Only cash contributions made to charities after Jan. 11 and before March 1 are eligible. This includes contributions made by text message, check, credit card or debit card.
- Contributions must be made specifically for the relief of victims in areas affected by the Jan. 12 earthquake in Haiti. Contributions can be deducted on either the 2009

tax return or the 2010 return, but not both.

The IRS announcement said that to be eligible, taxpayers must itemize their deductions on Schedule A; those who claim the standard deduction, including short-form filers, are not eligible.

Taxpayers must keep a record of any deductible donations they make, it said. For donations made by text message, a telephone bill will meet the requirement if it shows the name of the organization receiving the donation and the date and amount of the contribution. For cash contributions made by other means, taxpayers must keep a bank record, such as a cancelled check, or a receipt from the charity showing the name of the charity and the date and amount of the contribution.

The Chronicle of Philanthropy reported Jan. 19 that donations to charities helping Haiti's earthquake victims had already exceeded \$220 million, which it said was "a faster pace of giving" than that for the tsunami and other international disasters.