

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

### Applied to 1040 Returns Currently Being Filed

In a seemingly rare display of bipartisan effort by both chambers of Congress, Democratic and Republican leaders in the House and Senate are pushing to quickly pass legislation that will allow U.S. taxpayers to deduct their Haiti aid donations on their 2009 income tax returns. The measure is geared at promoting additional donations to the relief efforts for the island nation, which was stricken with a magnitude 7.0 earthquake on January 12.

According to a press release issued by House Majority Whip James E. Clyburn (D-S.C.) and House Minority Whip Eric Cantor (R-VA), the two have introduced legislation to "allow individuals who make contributions to the relief effort in Haiti to claim the donations as an itemized charitable deduction on their 2009 tax return." They are joined by other influential House leaders, including Ways and Means Committee Chairman Charles Rangel (D-N.Y.) and the ranking Republican member on that committee, Dave Camp (R-MI).

"In the midst of this horrific disaster, 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 Cantor. Congressman Clyburn added: "I am heartened by the outpouring of concern and resources from the American people to the crisis in Haiti." Similar legislation has been proposed in the Senate. Tax and accounting professionals, as well as the technology companies that produce tax programs and online preparation systems, are well-accustomed to last minute tax law changes at the state and federal level. Most programs continue to offer updates through the end of January to accommodate for these changes.

Fortunately, the proposal to allow deductions made until April 15 for donations to Haiti relief efforts is not likely to involve significant changes to the actual tax filing programs used by do-it-yourself taxpayers or professionals. This is because the IRS will not need to change existing forms, but will likely

issue official guidance to taxpayers and professional preparers. As a result,

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

spurred by a magnitude 9.0 earthquake on the coast of the Indonesian island of Sumatra.

"It's great to encourage donations for humanitarian efforts, especially because a lot of people have taxes on their minds right now, so it might encourage additional giving," said Jody L. Padar, a Chicago CPA with the firm James J. Matousek, CPA Ltd. ([www.matousekconsulting.com](http://www.matousekconsulting.com)).

"The biggest issue for many taxpayers is to remember not to "double dip," or mistakenly take the deduction again in 2010. They also need to save their receipts."

Certain advances in technology have also benefited charities and taxpayers. The popularity of mobile phone text messaging has made it quick and easy for people to donate funds, with a record of more than \$10 million having been contributed

via text message to the Red Cross ([www.redcross.org](http://www.redcross.org))

during the six days following the disaster. This is in addition to more than \$40 million donated to the organization via other methods. "The cool thing about texting donations is that taxpayers definitely have documentation of the donation on their cell phone bill," said Padar.

To make a text-based donation to Haiti relief efforts, mobile phone users can can text the word "Haiti" to 90999 to instantly send a ten dollar donation to the Red Cross. The donation is automatically added to the user's billing statement and most major mobile service providers have waived text messaging

fees for those making these donations.

Although the tax season is already officially underway, most taxpayers do not file until the months of March and April. If the legislation to make Haiti earthquake relief donations deductible for last year's taxes does pass, Padar notes that the few who may have already filed or who remain unaware of the special treatment will still be able to claim the charitable giving on their 2010 returns or,

if desired, will be able to file an amended 2009 return.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us