



2013 IRA Charitable Rollover

The IRA charitable rollover was revived in the American Taxpayer Relief Act of 2012, passed by Congress on January 1st and signed by President Obama.

What's called a rollover is actually a "qualified charitable distribution" to <charity>.

Here's how to do it:

1. You're at least 70 1/2 years old on the date you make your gift
2. The IRA is a traditional or Roth
3. You don't exceed your personal maximum of \$100,000 per year
4. Your distribution goes directly from your IRA to <charity>

This applies for 2012 and 2013.

So, if in 2012 you made a distribution that meets the criteria, it will be a qualified charitable distribution for 2012. That's not likely, but it's possible.

Recognizing half the time has passed, Congress allowed two ways to catch up.

First, you can make a qualified charitable distribution before February 1 and count it toward 2012.

Or, if you took a distribution in December (mandatory or not), you can count any portion of it as a 2012 qualified charitable distribution. Your gift needs to get to us before February 1 to grab this opportunity.

The amount of your gift counts toward your required minimum distribution (RMD) for 2012 or 2013. Are you required to take more than you need? This is the solution.

And, it is not included in your gross income, so it's exempt from federal income tax. You help fulfill your distribution requirement without adding to your income.

A final note. You don't claim this as a charitable income tax deduction. The tax advantage is the exclusion from gross income. But, your gift has to be such that if it were deductible, it would be 100% deductible.

That means you can't make a qualified charitable distribution to pay for dinner tickets or make any type of gift that wouldn't be completely deductible if it wasn't such a distribution.

To get started, tell your IRA custodian you want to make a qualified charitable distribution to <charity name>. If you need our tax ID number, it's xx-xxxxxxx.

There's more information at tonymartignetti.com.

I am not providing tax, accounting or legal advice. Donors must consult their own advisors to determine whether, and how, to make a charitable gift.

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