TAX ASPECTS OF CHARITABLE GIVING
Professors Manny and Dale
Summer 2020

Assignment for Class 1 and 2

Access Cases and Materials, Tax Aspects of Charitable Giving, on NYUClasses under the "Resources" section of the course site. There is no casebook to purchase. You will need a current version of the Internal Revenue Code and the Treasury Regulations issued under the Code.

1. In the Cases and Materials, read items 1 – 6. **Item 1 is optional.**

2. Read these articles posted on NYUClasses:

   Editorial Board of WALL ST. J., *The Uncharitable Charities*, Dec. 25, 2017, https://www.wsj.com/articles/the-uncharitable-charities-1514237452.

   Pierre Omidyar, *How I Did It: EBay's Founder on Innovating the Business Model of Social Change*, HARV. BUS. REV., Sept. 1, 2011, https://hbr.org/2011/09/ebays-founder-on-innovating-the-business-model-of-social-change.

   Gene Steuerle, *The Zuckerberg Charitable Pledge and Giving from One's Wealth*, THE GOVERNMENT WE DESERVE, Jan. 11, 2016, http://blog.governmentwedeserve.org/2016/01/11/the-zuckerberg-charitable-pledge-and-giving-from-ones-wealth/.

3. **Optional** reading posted on NYUClasses:

   Ginia Bellafante, *Bulk of Charitable Giving Not Earmarked for the Poor*, N.Y. TIMES, September 9, 2012, at MB1.

   Robert B. Reich, *Is Harvard a Charity?*, L.A. TIMES, Oct. 2007, at A 13.

   Patricia Cohen, *Writing Off the Warhol Next Door: Art Collectors Gain Tax Benefits From Private Museums*, N.Y. TIMES, Jan. 11, 2015, at BU1.

   Excerpt from John Simon, Harvey Dale & Laura Chisolm, The Federal Tax Treatment of Charitable Organizations, previously published by Yale University Press in THE NONPROFIT SECTOR: A RESEARCH HANDBOOK 267 (Walter W. Powell & Richard Steinberg, eds., 2d ed. 2006).

4. In the Internal Revenue Code of 1986, as amended, read §§ 62(a), 170(a)(1) and

(2), 170(b), 170(c), 170(d), 170(f)(8), 501(c)(3), 509(a), 642(c)(1), 642(c)(6), 702(a)(4), 703(a)(2)(C), 1366(a)(1), 6115, and 6714.

5. In the Treasury Regulations, read §§ 1.61-3(a), 1.170-0, 1.170A-1, 1.170A-8, 1.170A-9 [very lightly — just to become acquainted with its coverage and organization], 1.170A-10 (except 1.170A-10(d)), 1.170A-13, and 1.501(c)(3)-1.

6. Prepare Problem 1 (Introduction), parts A and B (part A for the first class and part B for the second class).

<u>**Assignment for Class 3, 4, and 5**</u>

1. In the materials, read Items 7 – 13.

2. **Review** the Items, Code sections, and Treasury Regulations assigned previously.

3. Read the article posted on NYUClasses:

   Cornelia Dean, *Wealthy Stake $25 Million in a War With the Sea*, N.Y. TIMES, July 8, 2007 for February 19 class.

4. In the Internal Revenue Code of 1986, as amended, read §§ 170(e), 170(f), 170(g), 170(j), 170(l), 170(m), 170(o), 509(a), 1015(a), 1221, 1222(3), 2055(a) and (d), 2522(a), 6050L, 6662 (except subsections (c), (d), and (f)), and 6664(c).

5. In the Treasury Regulations, read Treas. Reg. §§ 1.170A-4, 1.170A-11, and 1.1015-4.

6. Prepare a written outline of your answer to Problem 1, parts C through F, for your own use during class discussions.

<u>**Assignments for Class 7—Substantiation and Valuation**</u>

1. Class 6 will focus primarily on Problem 1F, but we may begin the discussion of substantiation and valuation towards the end of class.

2. In the materials, read new items and review items read earlier in the semester:

   a. Item 2: <u>Hernandez v. Commissioner</u>, 490 U.S. 680 (1989).

   b. Item 3: <u>Sklar v. Commissioner</u>, 282 F.3d 610 (9th Cir. 2002).

c. Item 8: Rev. Rul. 67-246, 1967-2 C.B. 104.

d. Item 13: Rev. Proc. 90-12, 1990-1 C.B. 471.

e. Item 14: Daniel Gomez et ux. v. Commissioner, T.C. Summ. Op. 2008-93 (July 30, 2008).

f. Item 15: Van Zelst v. Commissioner, 100 F.3d 1259 (7th Cir. 1996).

g. Item 16: Mohamed vs. Commissioner, 103 T.C.M. (CCH) 1814 (2012).

h. Item 17: Hewitt v. Commissioner, 82 A.F.T.R. 2d 98-7164 (4th Cir. 1998).

3. In the Internal Revenue Code, read §§ 170(a)(1), 170(f), 170(l), 170(m), 507(d)(2), 509, and 4946, 6115, and 6714.

4. David Fitzpatrick & Drew Griffin, *Charities Accused of Overvaluing Donations*, CNN, July 28, 2012, http://edition.cnn.com/2012/07/27/us/charities-overvalued-donations/index.html.

5. In the Treasury Regulations, read Treas. Reg. §§ 1.170A-1, 1.170A-13 [first skim through this lengthy regulation quickly to understand how it is structured; then focus more carefully on §§ 1.170A-13(c) and 1.170A-13(f)], 20.2031-1(b), 1.6115-1, 53.4946-1(a), 1.170A-9(a), (b), (c)(1), (d), (f)(1) - (4), (6), (7), (8), (9), 1.170A-15, 1.170A-16, 1.170A-17, and 1.509(a)-3(a).

6. Prepare Problem 1, Parts A, D, E, and F, concentrating on substantiation and valuation issues.