

## **BASIC FACTS ON CHARITABLE GIVING**

by

**David Joulfaian**  
**US Department of the Treasury**

**OTA Paper 95**

**June 2005**

*OTA Papers* is an occasional series of reports on the research, models, and data sets developed to inform and improve Treasury's tax policy analysis. The papers are works in progress and subject to revision. Views and opinions expressed are those of the authors and do not necessarily represent official Treasury positions or policy. OTA Papers are distributed in order to document OTA analytic methods and data and invite discussion and suggestions for revision and improvement. Comments are welcome and should be directed to the authors.

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The paper benefited from comments by Deena Ackerman, Gerald Auten, Melissa Brown, Susan Brown, Robert Carroll, Donald Kiefer, Catherine Hughes, Margaret Rolley, and Gene Steuerle. Comments are welcome to [david.joulfaian@do.treas.gov](mailto:david.joulfaian@do.treas.gov).

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## BASIC FACTS ON CHARITABLE GIVING

### Abstract

This paper provides a brief summary of the rules that govern the tax treatment of charitable gifts, and presents a statistical overview of recent trends in charitable giving. For each of individuals, corporations, estates, and fiduciaries, tax return data is employed to describe the profile of donors and report the amount of transfers to charitable organizations.

## I. Introduction

The tax code provides for preferential tax treatment of gifts to charitable organizations. Under the individual income tax, for instance, individuals who itemize their deductions may subtract charitable contributions from their taxable income in determining their tax liability. Similarly, corporations may reduce their taxable profits by transfers to charity. In the case of both individuals and corporations the allowable deduction is limited to some fraction of income and profits. In contrast, an unlimited deduction is available for charitable bequests under the estate tax.

The purpose of this paper is to provide a brief summary of the rules that govern the tax treatment of charitable gifts, and review recent trends in charitable giving. For each type of donor, i.e. individuals, corporations, estates, and fiduciaries, I use tax return data to describe the profile of donors, and report the amount of transfers to charitable institutions.

Section II describes the general tax rules that govern individual giving. It also provides statistics on the income of donors and the size and composition of contributions, including preliminary figures for non-cash giving. Section III addresses the rules that govern corporate giving, and describes the profile of C and S corporate donors. Section IV addresses charitable bequests using data reported on estate tax returns. Contributions reported on the income tax returns of estates and trusts are addressed in Section V.

## II. Individual Giving

### A. General Rules

Individuals who make contributions to nonprofit organizations may claim a deduction against their taxable income. There are a number of filing requirements and limitations that shape the deductibility of these contributions. Contributions are reported on Schedule A of Form 1040, differentiated by cash and non-cash contributions; non-cash contributions for which a deduction in excess of \$500 is claimed must also be itemized on Form 8283.

In the case of contributions of property, the amount of the deduction is generally equal to the fair market value (FMV) of the property on the date of contribution. However, for certain contributions of property, if the taxpayer's basis is less than FVM, the amount of the deduction is limited to basis (typically the cost of acquisition).<sup>1</sup>

The deductibility of contributions is subject to a number of limitations that depend on the underlying nature of the contributed asset and the type of recipient organization. The total deduction for charitable contributions by an individual taxpayer may not exceed 50 percent of the taxpayer's adjusted gross income (AGI), disregarding any net operating loss (NOL) carryback. The total deduction for contributions of capital gain property to public charities generally may not exceed 30 percent of the taxpayer's AGI. Deductions for contributions of cash to private foundations generally may not exceed 30 percent of the taxpayer's AGI. And last, deductions for contributions of capital gain property to

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<sup>1</sup> Special rules enacted in 2004 apply in the case of donations of qualified vehicles and intellectual property. See sec. 170(f)(12), sec. 170(e)(1)(B)(iii) and Sec. 170(m).

private foundations generally may not exceed 20 percent of the taxpayer's AGI.

Contributions in excess of the allowable limit may be carried over and deducted over the next five taxable years, subject to the relevant percentage limitations on the deduction in each of those years.

In addition to the percentage limitations imposed on deductions for charitable contributions, present law imposes a limitation on most itemized deductions, including charitable contribution deductions, for taxpayers with AGI in excess of a certain threshold amount that is indexed annually for inflation. The threshold amount for 2005 is \$145,950 (\$72,975 for married individuals filing separate returns). For those taxpayers who are subject to the limit, the total amount of itemized deductions permitted is reduced by the lesser of (1) 3 percent of the difference between AGI and threshold amount and (2) 80 percent of the itemized deductions subject to the limit.<sup>2</sup> Beginning in 2006, the Economic Growth and Tax Relief Reconciliation Act of 2001 phases-out the overall limitation on itemized deductions for all taxpayers. The overall limitation on itemized deductions is reduced by one third in taxable years 2006 and 2007, and by two-thirds in taxable years 2008 and 2009. The overall limitation on itemized deductions is eliminated for taxable years beginning after December 31, 2009; however, this elimination of the limitation sunsets on December 31, 2010.

#### B. Reported Contributions and Deductions

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<sup>2</sup> In other words, the reduction is the smaller of  $0.03 \times (\text{AGI} - \$145,950)$  and  $0.80 \times (\text{Total Allowable Itemized Deductions} - \text{Deductions for Medical Expenses, Investment Interest, Theft and Casualty Losses, and Deduction for Gambling Losses})$ .

Statistics on income sources and deductions are available from tax return data prepared by the Statistics of Income Division of the Internal Revenue Service (SOI). Of the 130 million income tax returns filed in tax year 2002, 45.6 million taxpayers itemized deductions as shown in Table 1. Of these itemizers, 40.4 million, or about 90 percent, claimed a deduction for charitable contributions. A total of \$141 billion in contributions were deducted. This represents about 15 percent of the itemized deductions reported on schedule A, and about 3.7 percent of the AGI (Table 1).

About \$142 billion in contributions were reported in 2002, or \$108 billion in cash and \$34 billion in non-cash contributions (Table 2). Nearly 24 million taxpayers made non-cash contributions representing about 25 percent of total contributions. In addition, \$38 billion in unused contributions were carried over to 2002 from prior years. Combined these sums exceed the claimed deduction by \$40 billion which is available to be carried over to 2003.

There is considerable dispersion in the propensity to give among taxpayers with the same income (Table 3). For donors with AGI between \$100,000 and \$200,000, for instance, compare the 2.5 million who donated less than one percent of their income to the 74,000 who donated 20 to 50 percent of their income. About 1.4 million, or 3.5 percent of the 40 million donors, gave 20 to 50 percent of their income.<sup>3</sup> In contrast, 11 million, or 28 percent of donors, gave less than one percent of their income. Overall, the median fraction of income donated is slightly over two percent.

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<sup>3</sup> This represents the number of taxpayers potentially constrained by the statutory limits on deductible contributions.

The overwhelming majority of the 40 million individual taxpayers reporting contributions claimed small deductions. Less than 5 percent of these taxpayers deducted \$10,000 or more (Table 4). However, these larger donors accounted for about 42 percent of the total claimed deductions. Only 131 thousand taxpayers reported deductions in excess of \$50,000, representing one third of one percent of all donors. These taxpayers accounted for some 20 percent of the total claimed deductions.

### C. Non-Cash Contributions

Taxpayers claiming a deduction for contributions of non-cash property valued in excess of \$500 are required to file Form 8283 with the IRS. On this form, donors describe the type of property contributed and provide information on how fair market value was determined.<sup>4</sup>

Preliminary data from Form 8283 for tax year 2003 show that gifts of corporate stock form the largest share of non-cash contributions. About \$10 billion in gifts of corporate stock are reported (Table 5), with an average value per return of over \$57,000. Gifts of clothing and real estate are the next largest categories, valued at \$5.8 billion and \$3.8 billion respectively. When all personal items (i.e., clothing, household items and furniture, and cars and other vehicles) are combined, however, they make up the largest category with a total value over \$11 billion. On a per return basis, the largest average deduction claimed is for donations of easements (\$951,000), followed by financial securities (\$105,000 for mutual funds and \$192,000 for other securities), and finally by

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<sup>4</sup> See sec 170(f)(11) for reporting and appraisal requirements.



real estate (\$184,000). Also on a per return basis, the smallest average deductions claimed are for donations of food (\$478), and computer equipment (\$797).

#### D. Compliance

Not all reported contributions reflect the true value of the amounts transferred to charity. Some individuals, deliberately or otherwise, overstate the value of the property contributed to charity. It is possible to measure the size of these misreported contributions using data from the Taxpayer Compliance Measurement Program (TCMP). The TCMP data provide information on the amount of contributions as reported by the taxpayer and the value as corrected upon audit obtained from a national random sample of tax returns.

Tables 6 and 7 report the amount of contributions claimed both as reported by the taxpayer and as corrected upon audit from the 1985 TCMP.<sup>5</sup> Corrected contributions represent about 91 percent of the amounts reported by the taxpayers (itemizers in Table 6).<sup>6</sup> In other words, almost 10 percent of the amounts reported were disqualified upon audit. The noncompliance rate declines with income, except for those with very low AGI.

Table 7 provides similar statistics on contributions claimed by non-itemizers to allow for comparisons in compliance patterns.<sup>7</sup> Much of the deductions are concentrated among

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<sup>5</sup> Tax year 1988 is the last year a TCMP study was undertaken. Tax year 1985 is an interesting period in that taxpayers were able to claim a deduction for contributions by adding them to their other itemized deductions, or as an above the line deduction. With the repeal of the above-the-line deduction in 1986, the 1985 TCMP study represents the only source of information of the noncompliance pattern of non-itemizers.

<sup>6</sup> These are classified by size of expanded AGI, defined as the adjusted gross income plus excluded capital gains.

<sup>7</sup> Because of possible interactions between above-the-line deductions and itemized deductions of charitable contributions, all observations showing itemized deductions are excluded. Upon audit, for instance, a

taxpayers with AGI under \$50,000. The corrected deduction represents about 82 percent of the reported amount. In other words, some 18 percent of the deductions were disqualified. Overall, there seems to be less compliance with the reporting of contributions as above-the-line deduction than the reporting of itemized deductions. When the comparison is limited to comparable income groups, however, much of the difference in compliance patterns dissipates.

### III. Corporate Giving

#### A. General Rules

As with individuals, corporations are also allowed a deduction for contributions to charitable organizations. Under present law, a corporation is allowed to deduct charitable contributions up to 10 percent of its taxable income for the year. For this purpose, taxable income is determined without regard to (1) the charitable contributions deduction, (2) any net operating loss carryback, (3) deductions for dividends received, (4) deductions for dividends paid on certain preferred stock of public utilities, and (5) any capital loss carryback to the taxable year.<sup>8</sup> Any charitable contribution by a corporation that is not currently deductible because of the percentage limitation may be carried over for up to five taxable years.

A transfer of property by a business to a charity might qualify as either a charitable contribution or a deductible business expense. However, no deduction is allowed as a business expense for any contribution that would be deductible as a charitable gift were it

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taxpayer may shift from one form of deductions to another. This constraint is relaxed, and the unadjusted figures are reported in the last row of the table.

not for the percentage limitations on the charitable contributions deduction.<sup>9</sup> Further, a business transfer made with a reasonable expectation of financial return commensurate with the amount of the transfer is not generally deductible as a charitable contribution.

The tax treatment of donations of property by businesses depends on the type of property. For example, for a donation of capital gain property, a business generally may deduct the fair market value of the property. Since 1969, the deduction for charitable contributions of inventory property generally has been limited to the lesser of the taxpayer's basis (typically cost) or fair market value.<sup>10</sup>

C corporations may claim an “enhanced” deduction in excess of basis for certain contributions of inventory property.<sup>11</sup> This augmented deduction is equal to the lesser of (1) basis plus one-half of the item's appreciated value or (2) two times basis. The limitation to twice the taxpayer's basis in the donated property means that the maximum subsidy rate is 70 percent of the taxpayer's cost ( $0.35 * 2 * \text{basis}$ ).

This enhanced deduction for inventory property is available only for certain specific types of contributions: (1) property used by the charity solely for the care of the ill, the needy, or infants;<sup>12</sup> (2) scientific property to be used by educational or scientific research organizations for research or experimentation or research training in the physical or

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<sup>8</sup> Sec. 170(b)(2)

<sup>9</sup> Sec. 162(b)

<sup>10</sup> See sec 170(f)(11) for reporting and appraisal requirements.

<sup>11</sup> The augmented deduction for scientific property and computer technology and equipment is generally available to corporations except for S corporations, personal holding companies (sec. 542), and service organizations (sec. 414(m)(3)).

<sup>12</sup> Sec 170(e)(3)

biological sciences;<sup>13</sup> (3) computer technology and equipment for certain educational purposes.<sup>14</sup> The last provision includes contributions for elementary and secondary school educational purposes, and public libraries.

To be eligible for the enhanced deduction under section 170(e)(3), the inventory must be contributed to a charitable organization (other than a private nonoperating foundation) which must (1) use the property consistent with its exempt purpose solely for the care of the ill, the needy, or infants, (2) not transfer the property in exchange for money, other property, or services, and (3) provide the taxpayer a written statement that the donee's use of the property will be consistent with these requirements. To claim the enhanced deduction, the taxpayer must establish that the fair market value of the donated item exceeds basis. For donations of drugs to be eligible for the enhanced deduction, they must meet the requirements of the Food, Drug and Cosmetic Act.

Additional requirements must be met for each type of enhanced deduction. For example, for donations of computer equipment and technology to schools to be eligible, the contribution must be made no later than three years after the taxpayer acquired the property or, if the taxpayer constructed the property, no later than the date that construction of the property is substantially completed, and the donated property must fit productively into the donee's education plan.

## B. Timing of Gifts

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<sup>13</sup> Sec. 170(e)(4)

<sup>14</sup> Sec. 170(e)(6)

The timing of gifts and when a corporation may claim a deduction for such transfers depends on the accounting method employed by the taxpayer. In the case of the cash method of accounting, a corporation deducts contributions in the year they are made. Under the accrual method of accounting, however, a corporation can elect to deduct unpaid contributions for the tax year the board of directors authorizes them if it pays them within 2 1/2 months after the close of that tax year. This election can be made only at the time of the filing of the return. The choice is made by reporting the contribution on the corporation's return for the tax year, which must be accompanied by a declaration stating that the board of directors adopted the resolution during the tax year. The declaration must include the date the resolution was adopted.

#### C. Reported Contributions

Profitable C corporations contributed about one percent of their profits to charity in 2002 (Table 8). Only 38 percent of these firms reported making such contributions. More specifically, about 345,000 C corporations reported charitable contributions in tax year 2002, and claimed \$9.5 billion in deductions.

Similarly, 38 percent of all S corporations reported giving to charity, with contributions that represent 1.6 percent of income. Approximately 700,000 S corporations, which are not subject to the corporate level tax, claimed \$3.5 billion in charitable contributions.

These were reported on Schedule K of Form 1120S, and deducted on Form 1040, Schedule A, of the shareholder's personal income tax return

The size of deducted contributions is highly skewed as shown in Table 9. Only 10 C corporations reported deductions in excess of \$100 million, and roughly account for 19 percent of all gifts. S corporations not only give to charity with greater relative frequency than their C counterparts (Table 8), but also seem to give more of their income as illustrated by the last column of Table 9.

The overwhelming majority of corporations, both C and S, allocate a small fraction of their income to charity. As shown in Table 10, about 20 percent give at least 10 percent of their profits, the statutory limit on deductibility. For those who give at the 10 percent level and above, S corporations seem more generous. However, to the extent that S corporations are not constrained by the 10 percent limit on giving, direct comparisons may not be very useful.

#### IV. Charitable Bequests

##### A. General Rules

The wealthy may allocate a portion of their accumulated wealth to charity at death. These bequests are deductible in computing the taxable estate for purposes of the federal estate tax. Unlike individual and corporate giving, however, charitable bequests are unlimited and fully deductible in computing the estate tax liability.

##### B. Reported Bequests

As illustrated in Table 11, some 73,000 estates filed estate tax returns in 2003. Of these, 13,400 or 18 percent of all estates provided for charitable bequests. A total of \$14.8

billion in transfers were deducted, over half of which were contributed by estates with wealth in excess of \$10 million. On average, about 11 percent of the least wealthy estates report charitable bequests, a fraction that rises with wealth to 47 percent for those with wealth in excess of \$20 million. The fraction of wealth bequeathed to charity also rises with wealth, to a high of 16 percent for those with wealth in excess of \$20 million. Overall, estates bequeath 7 percent of their wealth to charity, benefiting 47,472 charities.

As with wealth, the propensity to give also rises with the age of the decedent (Table 12). The fraction of estates reporting charitable bequests rises with age and peaks at 29.7 percent for decedents age 85 and over. Similarly, the fraction of wealth bequeathed to charity peaks at 17.8 percent for the oldest group.

Focusing on donors only, as in Table 13, decedents left about 29 percent of their wealth to charity. About half bequeathed less than 10 percent of their wealth. In contrast, about 20 percent left 50 percent or more of their estates to charity, and accounted for about 75 percent of all bequests. The average number of recipient charities rises with the propensity to give. But interestingly, it peaks at those who give 20 to 30 percent of their wealth.

As with individuals and corporations, the size of charitable bequests is highly skewed with only 88 estates contributing over \$20 million but accounting for 30 percent of all giving. Deductions below \$1 million account for 78 percent of all donors, but only for 11 percent of charitable bequests. Despite the wide dispersion in the size of the charitable

bequests, there is relatively little variation in the average number of charities benefiting from these transfers as can be deduced from the last column of Table 14.

Some 40 percent of donors provide for charitable bequests to only one charity. At the other extreme, some 5 percent of estates provide bequests to 10 or more charities. The relative frequency, as shown in Table 15, declines with the number of beneficiary charities. Very few donors give to more than a handful of organizations.

As reported in Table 16, the largest beneficiaries of these bequests are the philanthropies (usually private foundations), educational institutions, followed by religious institutions. Combined, these three categories account for 70 percent of all charitable bequests reported on federal estate tax returns. The majority of donors, some 55 percent, give to religious institutions. But these account for less than nine percent of total charitable bequests.

## V. Contributions by Fiduciaries

### A. General Rules

Estates and trusts may accumulate income from assets bequeathed to charity during the period of administration prior to distribution of the bequests to the charitable beneficiaries. These entities may deduct distributions to charitable organizations paid from income (as well as income held for eventual distribution to charity) in computing their taxable income. These contributions are deductible without the income or AGI



limitations encountered by individuals.<sup>15</sup> However, estates and trusts cannot claim any deduction for contributions of property that does not constitute income.

#### B. Reported Contributions

Of the 3.4 million estate and trust income tax returns filed for tax year 1997, some 79,000 (2.3 percent) reported charitable contributions. As gleaned from fiduciary income tax returns, Form 1041, these entities reported \$4 billion in contributions, half of which are accounted for by those with income in excess of \$1 million (Table 17).

These trusts may take a number of organizational forms (Table 18). Sixty percent of donors, for instance, are complex trusts which also account for 60 percent of the gifts. Estates of decedents in 1997 and prior years that are still open account for a quarter of the donors and 20 percent of the contributions.

#### V. Concluding Comment

This paper provides a short primer on the various rules that govern the tax treatment of contributions to nonprofit organizations. It also provides statistics on the size and composition of gifts that are generally not available or at least not easily accessible to students of the nonprofit sector.

Charitable giving by individuals, not surprisingly, swamps contributions by all other donors. Charitable bequests are a distant second, but their relative importance is masked by the expanding filing threshold and the declining number of estates required to file tax

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<sup>15</sup> Section 642(c)

returns. Corporations also represent an important source of philanthropic support. However, because some of their contributions are deducted as business expenses, as in the case of wages of personnel detailed to nonprofit and governmental organizations, their generosity is understated. On the other hand, some of their reported contributions may reflect a tax sheltering strategy and not necessarily a manifestation of their generosity, and thus overstate the actual benefit accruing to charity.

Statistics on the pattern of charitable giving reported above are likely to change over time. Changes in the circumstances of taxpayers and the evolving tax Code may very well alter the size and composition of charitable gifts. Legislation enacted in 2004, for instance, is expected to curtail the problem of taxpayers claiming inflated deductions for gifts of vehicles and certain intellectual property and may lead to a reduction in the reported deductions.

Table 1

Income Tax Returns Filed for Tax Year 2002  
(Returns in 1000s, amounts in \$millions)

Size of AGI			Adjusted Gross Income		Itemized Deductions			Charitable Contribution Deduction		
			Returns	Amount	Returns	AGI	Amount	Returns	AGI	Amount
Under	1		1,760	-80,229	2	-1	33	2	-1	0
1	to	10,000	24,280	124,930	875	5,414	11,846	587	3,746	705
10,000	to	20,000	23,438	348,621	2,412	37,219	29,664	1,882	29,269	3,242
20,000	to	30,000	18,598	459,420	3,750	94,381	46,593	3,021	76,124	5,711
30,000	to	40,000	13,980	485,753	4,749	166,860	60,061	3,962	139,438	7,712
40,000	to	50,000	10,527	471,706	4,953	222,916	67,592	4,199	188,905	8,636
50,000	to	75,000	17,412	1,067,421	11,301	701,616	175,483	10,109	628,587	23,574
75,000	to	100,000	9,258	795,250	7,646	658,891	143,289	7,121	614,036	20,254
100,000	to	200,000	8,409	1,108,352	7,691	1,018,662	199,560	7,326	971,494	28,391
200,000	to	500,000	1,908	548,736	1,804	517,933	83,395	1,737	499,356	14,998
500,000	to	1,000,000	337	226,946	310	208,481	27,814	301	202,642	6,537
1,000,000	or	more	169	475,779	155	447,430	52,718	151	437,381	20,811
Totals			130,076	6,032,683	45,648	4,079,802	898,047	40,400	3,790,978	140,571

Note: Some 158,000 returns reported contributions of \$200 million, with zero deduction. These are excluded from the above figures.

Table 2

Charitable Contributions Reported on Individual Tax Returns in Tax Year 2002, by Size of AGI  
(Returns in 1000s, amounts in \$millions)

Size of AGI		Charitable Deduction		Cash Contributions		Non-cash Contributions		Carryover Contributions	
		Returns	Amount	Returns	Amount	Returns	Amount	Returns	Amount
Under	1	2	0	2	1	1	0	0	0
1	to 10,000	587	705	534	988	214	122	53	996
10,000	to 20,000	1,882	3,242	1,795	2,896	801	475	64	2,229
20,000	to 30,000	3,021	5,711	2,840	4,616	1,615	1,112	61	261
30,000	to 40,000	3,962	7,712	3,677	6,404	2,221	1,365	46	2,378
40,000	to 50,000	4,199	8,636	3,979	7,012	2,415	1,608	35	183
50,000	to 75,000	10,109	23,574	9,627	19,365	6,033	4,233	51	779
75,000	to 100,000	7,121	20,254	6,838	16,582	4,621	3,910	36	413
100,000	to 200,000	7,326	28,391	7,095	22,622	4,911	6,137	51	2,428
200,000	to 500,000	1,737	14,998	1,710	11,715	1,075	3,649	21	3,981
500,000	to 1,000,000	301	6,537	298	4,769	164	1,839	6	1,767
1,000,000	or more	151	20,811	150	11,159	73	9,844	5	22,422
Totals		40,400	140,571	38,545	108,130	24,145	34,293	429	37,837

Note: Some 158,000 returns reported contributions of \$200 million, with zero deduction. These are excluded from the above figures.

Table 3

Number of Individual Tax Returns in Tax Year 2002 Claiming a Deduction for Contributions  
by Size of AGI and Ratio of Contributions to AGI  
(Returns in 1000s, fraction in percent)

Size of AGI		Charitable Contributions as Percent of AGI								
		0-1	1-2	2-3	3-4	4-5	5-10	10-20	20-50	All
1	to 10,000	25	30	22	28	33	106	107	236	587
10,000	to 20,000	140	208	141	166	135	404	350	338	1,882
20,000	to 30,000	393	421	361	265	195	598	544	244	3,021
30,000	to 40,000	811	795	429	310	207	686	557	167	3,962
40,000	to 50,000	995	901	496	317	235	685	471	99	4,199
50,000	to 75,000	2,979	2,101	1,229	799	539	1,574	744	145	10,110
75,000	to 100,000	2,320	1,476	893	584	386	964	431	67	7,121
100,000	to 200,000	2,543	1,657	1,015	555	388	785	309	74	7,326
200,000	to 500,000	656	432	215	112	68	158	60	36	1,737
500,000	to 1,000,000	131	64	33	18	11	25	10	9	301
1,000,000	or more	77	25	12	7	5	11	7	8	152
Total		11,070	8,109	4,845	3,161	2,203	5,996	3,592	1,421	40,398

Source: Author's calculations using 2002 SOI data.

Table 4

Charitable Contributions Reported on Individual Tax Returns in Tax Year 2002, by Size of Deduction  
(Returns in 1000s, amounts in \$millions)

Size of Deduction	Charitable Deduction		Cash Contributions		Non-cash Contributions		Carryover Contributions	
	Returns	Amount	Returns	Amount	Returns	Amount	Returns	Amount
1 to 100	1,098	54	1,013	50	130	6	2	-
100 to 200	1,456	201	1,272	164	366	40	6	1
200 to 300	2,195	523	1,876	388	770	139	3	2
300 to 400	1,667	566	1,474	387	827	180	1	1
400 to 500	1,897	850	1,579	506	1,175	343	11	2
500 to 600	2,215	1,175	1,892	698	1,338	478	7	1
600 to 700	1,500	965	1,479	646	934	330	5	5
700 to 800	1,489	1,105	1,472	860	1,039	415	7	3
800 to 900	1,267	1,068	1,252	745	844	324	5	2
900 to 1,000	1,182	1,118	1,160	781	794	335	11	837
1,000 to 5,000	17,951	43,233	17,627	34,368	12,046	8,948	171	2,121
5,000 to 10,000	4,493	30,700	4,468	26,395	2,710	4,408	84	484
10,000 to 50,000	1,859	31,008	1,851	26,816	1,093	4,630	86	5,422
50,000 to 500,000	123	13,945	120	9,037	73	5,611	27	7,825
500,000 or more	7	14,061	7	6,289	5	8,106	2	21,132
Total	40,400	140,571	38,545	108,130	24,145	34,293	429	37,837

Note: Some 158,000 returns reported contributions of \$200 million, with zero deductions. These are excluded from the above figures.

Table 5

## Individual Non-Cash Contributions by Type, Preliminary 2003 Tax Year Figures

Type of Donation	Returns	Amount (\$000s)	Average
Corporate stock	174,726	10,008,495	57,281
Mutual funds	5,810	612,153	105,357
Other securities	5,131	986,490	192,243
Real Estate	20,869	3,843,079	184,156
Easements	2,865	2,724,906	951,108
Art & collectibles	77,199	768,653	9,957
Intellectual property	7,342	20,185	2,749
Food	165,201	78,930	478
Clothing	4,047,305	5,806,731	1,435
Computers & other electronic equipment	456,162	363,606	797
Household items & furniture	2,245,646	2,974,260	1,324
Cars & other vehicles	801,058	2,401,168	2,997
Other	798,596	1,443,990	1,808

Table 6

Charitable Contributions Claimed as Itemized Deductions in 1985  
(Amounts in \$ millions)

Expanded Corrected AGI	Reported		Corrected		Corrected/ Reported Amount
	Number	Amount	Number	Amount	
Under 1	45,271	44	50,854	49	112.1
1 10,000	1,254,922	774	1,187,176	726	93.8
10,000 25,000	7,862,930	6,076	7,263,634	5,288	87.0
25,000 50,000	17,437,918	15,931	16,589,462	14,052	88.2
50,000 75,000	5,403,751	8,097	5,349,298	7,327	90.5
75,000 100,000	1,258,919	2,893	1,241,800	2,698	93.2
100,000 200,000	1,056,655	4,412	1,046,185	4,243	96.2
200,000 500,000	283,763	2,496	280,835	2,385	95.6
500,000 and over	68,813	2,030	67,945	1,935	95.4
Total *	34,672,940	42,753	33,077,188	38,704	90.5
Unadjusted **	35,040,480	42,998	33,572,144	38,949	90.6

\* Excludes observations where contributions are reported both as above the line deduction and as an itemized deduction.

\*\* Includes all observations.

Source: Author's calculations using 1985 TCMP data.



Table 7

Charitable Contributions Claimed as Above the Line Deduction in 1985  
(Amounts in \$millions)

Expanded Corrected AGI		Reported		Corrected		Corrected/ Reported Amount
		Number	Amount	Number	Amount	
Under	1	32,687	4	35,209	4	112.0
1	10,000	7,478,500	1,099	6,369,423	865	78.7
10,000	25,000	12,015,035	2,389	10,387,289	1,895	79.3
25,000	50,000	4,329,807	990	4,096,130	912	92.1
50,000	75,000	262,640	76	233,137	67	87.8
75,000	100,000	45,148	16	46,130	15	90.2
100,000	200,000	21,535	9	20,989	8	94.6
200,000	500,000	4,039	1	4,039	1	92.0
500,000	and over	443	0	443	0	100.0
Total *		24,189,836	4,584	21,192,788	3,767	82.2
Unadjusted **		24,435,160	4,697	21,569,550	3,880	82.6

\* Excludes observations where contributions are reported both as above the line deduction and as an itemized deduction.

\*\* Includes all observations.

Source: Author's calculations using 1985 TCMP data.

Table 8

Contributions Reported on Corporate Tax Returns in Tax Year 2002 by Size of Net Income  
(Amounts in \$millions)

Net Income (\$1000s)		Number of Returns	Net Income	Returns with Contributions		Percent Giving	Percent of Income
				Number	Amount		
C Corporations with Net Income							
Under	500	985,707	33,486	323,112	555	0.33	1.7
500	to 1,000	14,285	10,248	7,820	117	0.55	1.1
1,000	to 10,000	19,361	59,588	11,077	588	0.57	1.0
10,000	to 50,000	4,184	92,195	2,066	736	0.49	0.8
50,000	to 100,000	838	59,010	426	439	0.51	0.7
100,000	to 500,000	906	194,627	524	2,037	0.58	1.0
500,000	to 1,000,000	131	89,731	96	1,222	0.73	1.4
100,000	and over	107	297,620	95	3,856	0.89	1.3
Total		1,025,521	836,505	345,216	9,551	0.34	1.1
S Corporations with Net Income							
Under	500	1,744,434	93,804	647,330	1,709	0.37	1.8
500	to 1,000	33,921	23,799	24,141	320	0.71	1.3
1,000	to 10,000	28,959	67,171	21,899	1,048	0.76	1.6
10,000	to 50,000	1,214	22,205	1,018	286	0.84	1.3
50,000	to 100,000	64	4,102	58	41	0.91	1.0
100,000	and over	30	5,832	24	59	0.80	1.0
Total		1,808,623	216,913	694,471	3,463	0.38	1.6

Table 9

Contributions Reported on Corporate Tax Returns in Tax Year 2002 by Size of Deduction  
(Amounts in \$millions)

Size of Deduction (\$1000s)		Returns	Net Income	Deduction	Percent of Income
C Corporations					
Under	5	304,375	26,263	291	1.1
5 to	10	19,557	9,829	135	1.4
10 to	100	17,618	49,155	482	1.0
100 to	500	2,380	60,471	512	0.8
500 to	1,000	490	29,034	349	1.2
1,000 to	10,000	532	94,257	1,164	1.2
10,000 to	50,000	113	55,828	812	1.5
50,000 to	100,000	140	215,376	3,943	1.8
100,000	and over	10	48,608	1,863	3.8
Total		345,216	588,821	9,551	1.6
S Corporations					
Under	5	607,394	72,782	566	0.8
5 to	10	38,660	15,051	274	1.8
10 to	100	44,532	38,990	1,167	3.0
100 to	500	3,511	11,600	617	5.3
500 to	1,000	217	2,686	143	5.3
1,000 to	5,000	143	3,304	261	7.9
5,000	and over	14	1,112	436	39.3
Total		694,471	145,524	3,463	2.4

Table 10

Corporation Contributions by Size of Fraction of Net Income Contributed, Tax 2002  
(Amounts in \$millions)

Contribution/ Income		Returns	Net Income	Contributions	Contribution/ Income (%)
C Corporations					
Under	0.01	85,333	369,089	1,618	0.4
0.01 to	0.02	43,123	91,754	1,275	1.4
0.02 to	0.03	29,367	35,911	875	2.4
0.03 to	0.04	20,195	34,447	1,146	3.3
0.04 to	0.05	15,551	7,815	347	4.4
0.05 to	0.06	11,988	7,635	415	5.4
0.06 to	0.07	8,770	12,191	817	6.7
0.07 to	0.08	11,011	4,274	319	7.5
0.08 to	0.09	8,150	3,402	285	8.4
0.09 to	0.10	42,171	8,293	805	9.7
0.10	and over	69,558	14,009	1,650	11.8
Total		345,216	588,821	9,551	1.6
S Corporations					
Under	0.01	303,282	96,553	283	0.3
0.01 to	0.02	97,176	20,184	284	1.4
0.02 to	0.03	58,602	8,196	202	2.5
0.03 to	0.04	38,721	4,871	168	3.4
0.04 to	0.05	23,733	2,645	117	4.4
0.05 to	0.06	21,988	2,507	136	5.4
0.06 to	0.07	10,652	1,615	104	6.4
0.07 to	0.08	14,393	1,335	100	7.5
0.08 to	0.09	9,456	990	84	8.5
0.09 to	0.10	10,431	781	74	9.5
0.10	and over	106,036	5,847	1,911	32.7
Total		694,471	145,524	3,463	2.4

Table 11

Wealth and Charitable Bequests Reported on Estate Tax Returns Filed in 2003  
(Amounts in \$millions)

Wealth (\$1000s)		Wealth		Charitable Bequests			Beneficiary Charities		
		Returns	Amount	Returns	Fraction*	Amount	Percent*	Number	Average
Under	1,000	12,316	10,122	1,327	10.8	227	2.2	3,323	2.50
1,000	to 1,500	27,561	33,470	4,698	17.0	1,199	3.6	16,607	3.53
1,500	to 2,000	12,110	20,739	2,311	19.1	862	4.2	7,808	3.38
2,000	to 2,500	6,035	13,391	1,230	20.4	814	6.1	4,766	3.87
2,500	to 5,000	9,797	33,294	2,131	21.8	2,228	6.7	8,216	3.86
5,000	to 10,000	3,408	23,072	945	27.7	1,661	7.2	3,410	3.61
10,000	to 20,000	1,193	16,317	454	38.1	1,606	9.8	1,959	4.31
Over	20,000	651	37,851	304	46.7	6,174	16.3	1,382	4.55
All		73,072	188,255	13,399	18.3	14,772	7.8	47,472	3.54

\* Fraction or Percent of all returns.

Wealth is defined as net worth less estate expenses.

Table 12

Charitable Bequests Reported on Estate Tax Returns Filed in 2003  
(Amounts in \$millions)

Age		Wealth		Charitable Bequests				Beneficiary Charities	
		Returns	Amount	Returns	Fraction*	Amount	Percent*	Number	Average
Under	21	56	110	0	0.0	0	0.0	0	0
21 to	35	219	566	8	3.7	28	4.9	22	2.75
35 to	45	922	2,312	46	5.0	41	1.8	102	2.22
45 to	55	2,951	7,198	182	6.2	208	2.9	584	3.21
55 to	65	6,480	16,084	538	8.3	353	2.2	1,480	2.75
65 to	75	13,129	37,495	1,494	11.4	1,939	5.2	3,875	2.59
75 to	85	24,675	60,045	3,816	15.5	4,055	6.8	13,863	3.63
over	85	24,639	64,446	7,315	29.7	8,149	12.6	27,545	3.77
All		73,072	188,255	13,399	18.3	14,772	7.8	47,472	3.54

\* Fraction or percent of all returns.

Wealth is defined as net worth less estate expenses.

Table 13

Fraction of Wealth Bequeathed to Charity, Returns filed in 2003  
(Wealth and bequests in \$millions)

Percent of Wealth Bequeathed	Estates	Wealth	Charitable Bequests	Percent of Wealth	Number of Charities	Average	
Under	1	3,686	12,367	45	0.4	6,907	1.87
1 to	5	2,852	9,654	252	2.6	7,769	2.72
5 to	10	962	3,488	254	7.3	3,253	3.38
10 to	20	1,299	5,072	744	14.7	5,099	3.93
20 to	30	800	3,603	869	24.1	5,347	6.68
30 to	40	504	2,119	743	35.1	2,274	4.51
40 to	50	496	1,864	844	45.3	2,608	5.26
50 to	99	2,434	12,057	9,705	80.5	12,608	5.18
100		367	1,317	1,316	99.9	1,607	4.38
All	13,399	51,541	14,772	28.7	47,472	3.54	

Wealth is defined as net worth less estate expenses.

Table 14

Charitable Bequests Reported on Estate Tax Returns Filed in 2003  
(Wealth and bequests in \$millions)

Size of Deduction (\$1000s)	Number of Estates	Wealth	Charitable Bequests	Number of Charities
Under 100	6,571	14,527	160	14,562
100 to 500	2,623	8,148	685	12,537
500 to 1,000	1,344	4,665	976	6,197
1,000 to 1,500	1,046	2,761	1,243	4,664
1,500 to 2,000	553	2,403	941	2,672
2,000 to 2,500	293	1,302	655	1,603
2,500 to 5,000	568	3,930	1,918	3,053
5,000 to 10,000	218	2,957	1,513	1,026
10,000 to 20,000	94	2,383	1,297	695
20,000 or over	88	8,464	5,386	462
All	13,399	51,541	14,772	47,472

Wealth is defined as net worth less estate expenses.



Table 15

Number of Beneficiary Charities Reported on Estate Tax Returns Filed in 2003

Number of Charities	Number of Estates	Relative Frequency	Total Number of Charities
1	5,104	38.1	5,104
2	2,400	17.9	4,799
3	1,618	12.1	4,855
4	1,332	9.9	5,328
5	740	5.5	3,701
6	331	2.5	1,984
7	482	3.6	3,376
8	315	2.4	2,520
9	251	1.9	2,256
10	130	1.0	1,298
10+	697	5.2	12,253
All	13,399	100.0	47,472

Table 16

## Charitable Bequests Reported on Estate Tax Returns Filed in 2003

Type	Number of Estates	Amount (\$millions)
Arts, culture, humanities	1,553	750
Educational institutes	4,716	2,645
Environmental quality, protection	504	155
Animal-related activities	896	215
Health-general & rehabilitative	2,684	788
Mental health, crisis intervention	160	33
Disease-disorder-medical disciplines	1,602	354
Medical research	533	129
Public protections/legal services	120	23
Employment-jobs	197	12
Food, nutrition, agriculture	187	17
Housing-shelter	439	73
Public safety/disaster relief, preparation	256	6
Recreation-leisure-sports, athletics	252	56
Youth development	383	33
Human service - other multipurpose	3,336	808
International	216	63
Civil rights-civil liberties	179	10
Community improvement-development	377	65
Philanthropy & voluntarism	2,546	6,324
Science	79	27
Social sciences	12	0
Public affairs-societal benefit	213	15
Religion-spiritual development	7,250	1,301
Mutual membership benefit organizations	196	18
Unknown	1,621	851
Total, Charitable bequest deduction	13,399	14,772

Table 17

Charitable Contributions Reported on Fiduciary Income Tax Returns Filed in 1997  
By Size of Gross Income (Amount in \$millions)

Gross Income	All Returns	Returns with Contributions	
		Returns	Amount
Under 1	1,314,936	2,534	17
1 to 100	75,062	727	2
100 to 1,000	322,781	4,290	7
1,000 to 10,000	703,361	20,276	73
10,000 to 100,000	821,898	35,407	617
100,000 to 1,000,000	129,339	13,755	1,299
1,000,000 and over	8,588	2,160	2,016
Total	3,375,965	79,149	4,032

Source: Mikow, Jacob M., Fiduciary Income Tax Returns, 1997, SOI Bulletin, Article, Winter 2000-2001.

Table 18

Charitable Contributions Reported on Fiduciary Income Tax Returns Filed in 1997  
By Type of Entity (Amounts in \$millions)

Type	All Returns	Returns with Contributions	
		Number	Amount
Decedent Estate	411,744	19,236	809
Simple Trust	692,144	8,287	189
Complex Trust	1,098,363	47,016	2,518
Grantor Trust	1,109,603	167	7
Partial Grantor Trust	50,906	757	19
Bankruptcy Trust	8,601	7	3
Split-interest Trust	4,551	3,679	487
All	3,375,965	79,149	4,032

Source: Mikow, Jacob M., Fiduciary Income Tax Returns, 1997, Internal Revenue Service, SOI Bulletin, Winter 2000-2001.