

## **Tax Deductible RMD (Required Minimum Distributions) Donations**

**For those of you over the age of 70 ½, over 72 if born after June 30, 1949 below you will find information on how to make a donation from your tax deferred investments that count towards your Required Minimum Distribution (RMD) but are not taxable.**

**This information is being provided to you by the Lake Attitash Association for guidance purposes only. It should in no way construed to be a legal document, but information that you can use to follow up with your tax accountant or the IRS.**

**Most individuals with tax deferred investments are required to make Required Minimum Distributions (RMD's) when they reach the age of 70 ½, or over 72 if born after June 30, 1949. According to the IRS, these individuals may be able to make a charitable contribution out of an IRA without paying taxes on the distribution, while counting towards IRA minimum required distributions.**

### **Qualified charitable distributions**

#### **What is a qualified charitable distribution?**

Generally, a qualified charitable distribution is an otherwise taxable distribution from an IRA (other than an ongoing SEP or SIMPLE IRA) owned by an individual who is age 70½ or over that is paid directly from the IRA to a qualified charity. See [Pub. 590-B](#), Distributions from Individual Retirement Arrangements (IRAs)) for additional information.

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#### **Can a qualified charitable distribution satisfy my required minimum distribution from an IRA?**

Yes, your qualified charitable distributions can satisfy all or part the amount of your required minimum distribution from your IRA. For example, if your [required minimum distribution](#) was \$10,000, and you made a \$5,000 qualified charitable distribution, you would have had to withdraw another \$5,000 to satisfy your required minimum distribution.

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**How are qualified charitable distributions reported on Form 1099-R?**

Charitable distributions are reported on Form 1099-R for the calendar year the distribution is made.

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**How do I report a qualified charitable distribution on my income tax return?**

To report a qualified charitable distribution on your Form 1040 tax return, you generally report the full amount of the charitable distribution on the line for IRA distributions. On the line for the taxable amount, enter zero if the full amount was a qualified charitable distribution. Enter "QCD" next to this line. See the Form 1040 instructions for additional information.

You must also file Form 8606, Nondeductible IRAs, if:

- you made the qualified charitable distribution from a traditional IRA in which you had basis and received a distribution from the IRA during the same year, other than the qualified charitable distribution; or
- the qualified charitable distribution was made from a Roth IRA.