

Are the Gracias-Merci Raffle tickets ‘tax-deductible’?

DISCLAIMER: The following comments represent our understanding based on the cited documents; however, the individual taxpayer is solely responsible for determining tax-deductibility.

1) Tickets (see disclaimer): According to the IRS (<http://www.irs.gov/pub/irs-pdf/p526.pdf>), the answer is ‘No’. Publication 526 states that the cost of raffle, bingo or lottery tickets is not deductible as a charitable contribution.

Nevertheless, your contributions might still be tax deductible. At the very least, given that each ticket requires a *minimum donation* of \$20, payments in excess of \$20/ticket would likely be considered a normal donation to a charitable organization. Further, some resources indicate that the requirement of a ‘minimum donation’ vs. a ‘price’ for a ticket might have a beneficial effect on ‘tax deductibility’. Before relying on these statements, you should consult with a tax professional.

2) Donations (see disclaimer): Our organization (Foreign Language Academic Pto Inc.) is listed in IRS Publication 78. According to Publication 526, donations to charitable organizations listed in Publication 78 are deductible as charitable contributions.

Publication 78 (<http://www.irs.gov/charities/article/0,,id=96136.00.html>) uses a coding system to identify each organization listed by type and limitation on deductibility of charitable contributions to the organization. The code for Foreign Language Academic Pto Inc. is ‘None’... which indicates that it is a public charity with a 50% deductibility limitation. As stated in Pub. 526, “the 50% limit applies to the total of all charitable contributions you make during the year. This means that your deduction for charitable contributions cannot be more than 50% of your adjusted gross income for the year.”

If you require our IRS Tax ID number or a receipt for filing your taxes, please contact us. For inquiries regarding the Gracias-Merci Raffle, please send your email to gracias-merci-raffle@cox.net.