



## Economic and Market Insights

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By Tom Bassett, J.D., CPA  
Vice President, Tax Manager – East Region  
The Commerce Trust Company

### Want to donate from your IRA? Deadline looming to take advantage of recent changes in qualified charitable distribution rules

*As we near the end of 2015, some investors may be able to capitalize on a change in qualified charitable distribution rules signed into law December 18<sup>th</sup>. As head of The Commerce Trust Company's East Region tax group, Tom Bassett takes a moment to elaborate on this helpful strategy.*

You may be eligible to take advantage of some favorable tax provisions regarding qualified charitable distribution (QCD) rules signed into law last week by President Obama.

The QCD provision allows certain IRA owners to give IRA funds directly to charity without having them counted as income. QCDs can only be made from IRAs, and only if you are age 70 ½ or older at the time of the distribution. Maximum amount is up to \$100,000 of IRA assets.

If you want to make a QCD for 2015, you need to act quickly. Charitable distributions must leave your IRA no later than December 31, 2015 in order to be counted as a 2015 QCD. Payments generally must be made directly from the IRA to the charity. No grace period will be allowed.\*

The rules concerning QCD are complex and you should consult with your advisors and tax attorneys when exercising these rules. Not all charities are eligible for QCD treatment – a “Donor Advised Fund,” for example, is not eligible to receive a QCD, nor is a “Type III Supporting Organization,” such as a hospital foundation.

*\*Always consult with your CPA and professional advisor on matters involving income taxes.*



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