



HANSEN HUNTER & CO. P.C.
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NEWSLETTER

January 25, 2010

Senate passes bill to permit 2010 Haitian relief contributions to be deducted on 2009 returns.

On January 21, the Senate approved H.R. 4462, a bill that would allow donors to accelerate the income tax benefits of charitable cash contributions for the relief of victims of the earthquake in Haiti. The bill passed by the House on January 20, 2010 and is now cleared for signature by the President, which is expected this week.

The bill would allow individuals who make charitable contributions to aid Haitian earthquake victims to elect to claim an itemized charitable deduction on their 2009 tax return (instead of having to wait until next year to claim the deductions on their 2010 tax return). The election would apply only to Haitian relief contributions made in cash after January 11, 2010, and before Mar. 1, 2010. If the election is made, Haiti relief donations would be deductible on the 2009 return, not the 2010 return.

This is similar to the election to claim a charitable contribution deduction in tax year 2004 for donations made in January of 2005 for the relief of victims in areas affected by the December 26, 2004, Indian Ocean tsunami.

The bill also would relieve recordkeeping requirements for Haitian relief contributions. For these contributions, a telephone bill would satisfy the recordkeeping requirements if it shows the name of the donee organization, the date of the contribution, and the amount of the contribution.

If the taxpayer is an individual who itemizes, they will be in a position to deduct the contribution in either 2009 or 2010. Please contact us if you have any questions regarding this information.

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