



TaxNewsFlash

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Final regulations: Payments made to charities in return for consideration (text of regulations)

The U.S. Treasury Department and the IRS this afternoon released for publication in the Federal Register final regulations (T.D. 9907) concerning the treatment of certain payments made to charitable entities in return for consideration, pursuant to provisions enacted by the 2017 U.S. tax law (Pub. L. No. 115-97) (the law that is commonly referred to as the “Tax Cuts and Jobs Act” (TCJA)).

The regulations released today finalize regulations that were proposed in December 2019 “with clarifications in response to the written comments received and testimony provided” with regard to the proposed regulations.

The [final regulations](#) [PDF 277 KB]—

- Update the regulations under section 162 to reflect current law regarding the application of section 162 to taxpayers that make payments or transfers for business purposes to entities described in section 170(c)
- Provide safe harbors under section 162 to provide certainty with respect to the treatment of payments made by business entities to entities described in section 170(c)
- Provide a safe harbor under section 164 for payments made to an entity described in section 170(c) by individuals who itemize deductions and receive or expect to receive a state or local tax credit in return
- Update the regulations under section 170 to reflect past guidance and case law regarding the application of the quid pro quo principle under section 170 to a donor who receives or expects to receive benefits from a third party

The final regulations were published in the Federal Register on August 11, 2020.

The purpose of this report is to provide text of the final regulations.

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