

# Don't punt away booster club donations

The college football season will be kicking off soon. This may be the time you usually donate to a booster club for your alma mater or local school you root for.

**Strategy:** Make your donation with no strings attached. Otherwise, you may get no tax deduction for your generosity as a result of a new law change.

Significantly, the Tax Cuts and Jobs Act (TCJA) eliminates the partial deduction that was previously allowed for certain donations, beginning in 2018.

*Here's the whole story:* Under prior law, you may have donated money to a college program entitling you to buy tickets to an athletic event, including the rights to preferred seating. In this situation, you were permitted to deduct 80% of the cost of the donation. However, any part of the payment that went toward the cost of the actual tickets was nondeductible.

If you received tickets as part of the booster club donation, you had to deduct the cost of the tickets before applying the 80% rule.

Normally, deductions aren't allowed for charitable donations to the extent that the donor receives a benefit for his or her contribution. The 80% deduction rule was a specific exception written into the tax code.

Although the TCJA repeals this write-off, there's nothing in the new law to prevent you from donating to a booster club or similar program set up to benefit college athletics. As long as you don't receive any benefit in return, the donation should be completely deductible, assuming you itemize deductions instead of claiming the standard deduction.

Of course, you may want the preferred seating, even if you don't get a deduction. So pay extra for that if you wish, but don't expect any tax write-off.

**Tip:** Unlike most other individual tax changes in the TCJA that are scheduled to sunset after 2025, this change is permanent.