

Lessons from the Tax Court: Log in your charitable travel



Do you give some of your time, as well as your money, to charity? Although you can't deduct the value of your "blood, sweat and tears," you can write off your out-of-pocket expenses incurred on behalf of charity, subject to the usual restrictions.

For example, if you use your own vehicle for charitable driving, you can deduct costs such as gas, oil and repairs that are attributable to those trips. In lieu of keeping track of all of your actual expenses, you might choose to use a flat rate of 14 cents per mile, plus any charity-related parking fees and tolls.

Similarly, air, rail, bus or taxicab fare incurred on behalf of charity is deductible. In addition, you can deduct the cost of meals and lodging on a charitable trip. The usual 50% deduction limit on meals does not apply.

Caveat: There can't be any significant element of personal pleasure, recreation or vacation in the travel.

In a new decision, a taxpayer deducted the cost of charitable travel in her automobile, but she didn't have the necessary records to back up her claims. (*Farolan, TC Summary Opinion 2018-28, 5/30/18*)

Facts: The taxpayer, a resident of California, attends religious services at a Catholic church where she has been a parishioner since 1995. As a parishioner, she drove her personal automobile to help feed the homeless during Thanksgiving in 2013. She also used the car to transport gifts from the church for a Christmas giving-tree collection and other similar events throughout the year. The IRS disputed a \$400 deduction relating to out-of-pocket expenses for her charitable travel on behalf of the church,

The taxpayer estimated driving about 400 miles during 2013 to feed the homeless during Thanksgiving and to transport gifts from her church. But she didn't provide a mileage log to substantiate any of the mileage expenses or any written communication or other reliable written record to show that she participated in these charitable activities for her church. Furthermore, even if the mileage were substantiated, her charitable contribution deduction would have been limited to \$56 (400 miles x 14 cents). Accordingly, the deduction was denied.

Tip: Unlike medical driving, the 14-cent-per-mile rate for charitable travel isn't indexed for inflation. It is fixed by statute and can be changed only by Congress.