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Tax Court: No charitable deduction for aircraft, substantiation requirements not satisfied

The U.S. Tax Court today held that an individual taxpayer was not entitled to a charitable contribution deduction for a gift of an aircraft because the taxpayer failed to satisfy the substantiation requirements applicable to contributions of motor vehicles, boats, and airplanes.

The case is: *Izen v. Commissioner*, 148 T.C. No. 5 (March 1, 2017). Read the Tax Court's [opinion](#) [PDF 92 KB]

Summary

The IRS audited the taxpayer's returns for 2009 and 2010, and determined that he had failed to substantiate certain deductions. The taxpayer timely petitioned the Tax Court. While that case was pending, the taxpayer alleged in an amended petition that he had donated his interest in a vintage jet aircraft to a tax-exempt organization in 2010. The taxpayer, thus, asserted he was entitled to a charitable contribution deduction for the value of his interest in the donated aircraft.

The Tax Court allowed the amended petition, but denied a motion for partial summary judgment finding that, in part, the taxpayer had not secured and attached to his 2010 income tax return a "contemporaneous written acknowledgement" as required by section 170(f)(12).

Subsequently, in April 2016, the taxpayer filed Form 1040X for 2010, and on this amended return, he claimed (for the first time) a deduction of \$338,080 for the contribution of the aircraft and included various documents signed by officials of the organization as well as an appraisal of the aircraft dated in 2011. The taxpayer then filed a motion for partial summary judgment in the pending Tax Court action.

The Tax Court today denied the motion, concluding that the taxpayer did not include with his amended 2010 return, as required by section 170(f)(12)(A)(i), "a

contemporaneous written acknowledgment * * * by the donee organization that meets the requirements of subparagraph (B).”

The Tax Court held that the taxpayer had failed to satisfy the “more stringent” statutory substantiation requirements for a charitable contribution of the used aircraft pursuant to section 170(f)(12)(A).

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