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## LIST OF SUBSTANTIVE CHANGES AND ADDITIONS

Biebl-Ranweiler Portfolio Series

*PPC's Guide to Charitable Giving Strategies*

**Eighteenth Edition (May 2014)**

### Highlights of This Edition

The following are some of the important update features of the 2014 edition of *PPC's Guide to Charitable Giving Strategies*.

- **New Regulations on Net Investment Income Allocations by Charitable Remainder Trusts.** Newly released regulations provide guidance on how charitable remainder trusts that distribute income should allocate net investment income to noncharitable remainder beneficiaries. This edition includes a discussion of the two allocation methods provided in the regulations.
- **IRS Continues to Challenge the Charitable Deduction for Conservation Easements.** The IRS continues to challenge deductions for conservation easements based on a number of arguments. This edition includes information on recent cases in which the IRS has challenged the deduction for conservation easements and planning considerations to avoid such challenges.
- **Updated for Expiring Tax Provisions.** Several important charitable tax provisions have expired as of December 31, 2013, and unless new legislation is enacted to retroactively extend them, they will no longer be available. This edition calls attention to these expiring tax provisions.

In addition to these featured items, your *Guide* includes the following update items:

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 2 Deciding What and When to Give	1. Updated the discussion of making qualified charitable distributions from IRAs (i.e., charitable rollovers) to reflect the recently expired provision.	Section 203
	2. Added a planning tip and caution for those who would like to make a charitable rollover of their IRAs in the hopes that the tax provision will be retroactively reinstated.	Section 203
	3. Added a discussion of donating vacation, sick day, or personal leave pay for disaster relief.	Section 203
	4. Expanded the discussion of donating vehicles to charitable organizations.	Section 203
	5. Expanded the discussion of donations of artwork that has been created or acquired by an individual.	Section 203
	6. Clarified the discussion of donating the right to use property to a charity.	Section 204
	7. Updated the summary of internet resources.	Appendix 2D

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 3 Deducting Charitable Contributions for Income Tax	<ol style="list-style-type: none"> <li>1. Clarified the discussion of the charitable contribution deduction available for donations of appreciated property by partnerships and S corporations.</li> <li>2. Updated the discussion of expired charitable tax provisions for C and S corporations.</li> <li>3. Expanded the discussion of the required contemporaneous acknowledgments from donee charities.</li> </ol>	<p>Section 302</p> <p>Section 302</p> <p>Section 305</p>
CHAPTER 4 Charitable Remainder Trusts	<ol style="list-style-type: none"> <li>1. Added a law change alert about recently issued proposed regulations that define a beneficiary's basis in term interest charitable remainder trusts (CRTs) when the entire interest contributed to the trust is sold or disposed.</li> <li>2. Added a discussion of how CRT distributions with net investment income should be reported to noncharitable beneficiaries.</li> </ol>	<p>Section 407</p> <p>Section 409</p>
CHAPTER 5 Charitable Lead Trusts	<ol style="list-style-type: none"> <li>1. Included a discussion and planning tip on how the Section 7520 rates impact the value of the remainder interest in a charitable lead annuity trust (CLAT).</li> <li>2. The net investment income tax (NIIT) applies to the grantor (for grantor-type CLTs) and to the trust for nongrantor-type CLTs. Discussions have been added on the impact of the NIIT to CLTs.</li> <li>3. Added a discussion of the Form 8960 filing requirement.</li> </ol>	<p>Section 501</p> <p>Section 504, Appendix 5A</p> <p>Section 507, Appendix 5D</p>
CHAPTER 6 Private Foundations and Alternative Charitable Entities	<ol style="list-style-type: none"> <li>1. Added a practice tip about the new Form 1023-EZ, which will soon be available for organizations applying for tax-exempt status.</li> <li>2. Alerted managers that abnormally large distributions in the foundation's first year can distort the average percentage for the initial five-year base period, making it more difficult to qualify for the 1% tax rate on net investment income.</li> </ol>	<p>Section 602</p> <p>Section 604</p>
Chapter 7 Pooled Income Funds	<ol style="list-style-type: none"> <li>1. Expanded the discussion of the filing requirements for pooled income funds.</li> </ol>	<p>Section 705</p>
CHAPTER 10 Charitable Contributions of Qualified Conservation Easements	<ol style="list-style-type: none"> <li>1. Expanded the discussion of meeting the requirements of a qualified conservation easement.</li> <li>2. Added a planning tip about avoiding all but a minimal amount of commercial recreational activity.</li> <li>3. Expanded the discussion of the requirement that the conservation purpose be protected in perpetuity, including recent case law on this issue.</li> <li>4. Clarified the discussion of easements to preserve historically important land or structures.</li> <li>5. Updated the discussion of recent IRS challenges to contributions of conservation easements.</li> <li>6. Added a law change alert about the provision for increased AGI limitation for qualified conservation easements, which expired on December 31, 2013.</li> </ol>	<p>Section 1001</p> <p>Section 1001</p> <p>Section 1001</p> <p>Section 1001</p> <p>Section 1001</p> <p>Section 1002</p>