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## LIST OF SUBSTANTIVE CHANGES AND ADDITIONS

### *PPC's Guide to Charitable Giving Strategies*

#### Twenty-sixth Edition (May 2022)

##### Highlights of this Edition

The following are some of the important new features of the 2022 Edition of *PPC's Guide to Charitable Giving Strategies*:

- **Cryptocurrency in a Charitable Remainder Trust.** Cryptocurrency is becoming a popular investment. A new section has been added discussing the use of a CRT to diversify a cryptocurrency portfolio (section 410).
- **Charitable Contribution Carryovers from 2020 and 2021.** Contributions made in 2020 and 2021, originally eligible for the 100% of AGI limitation, are treated as carryovers subject to the 60% AGI limit in the current year if they were not fully used in prior years (section 304).
- **New Proposed Actuarial Tables Released.** Actuarial factors are used to compute the value of annuities, unitrusts, life estates, and remainder interests. The IRS issues new tables every 10 years. Proposed tables, released in May 2022, can be used until the updated tables are approved in final regulations (sections 406, 506, 703, 704, 802, and 901).

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 1 A Model for Charitable Giving Planning Engagements	1. Updated the discussion for a new internet domain (launched by the AICPA and CPA.com) that is available exclusively to CPAs.	108
	2. Defined <i>misleading statement</i> when discussing attorney advertising for American Bar Association ethics purposes.	108
CHAPTER 2 Deciding What and When to Give	1. Added a discussion on when testamentary charitable bequests may be preferable.	201
	2. Added an example on the excludable qualified charitable distribution (QCD) when the individual makes deductible IRA contributions in the same year.	203
	3. Included a new example and discussion on the tax benefit of making a QCD when the individual uses the standard deduction.	203
CHAPTER 3 Deducting Charitable Contributions for Income Tax	1. Clarified the discussion on charitable deductions for gifts to certain organizations.	301
	2. Explained the difference in the two different 30% of AGI limitations that apply for certain charitable gifts.	304
CHAPTER 4 Charitable Remainder Trusts	1. Clarified an observation about individuals that prefer charitable remainder annuity trusts (CRATs) over charitable remainder unitrusts (CRUTs).	403

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
	2. Added a comment that the IRS will not rule on whether an annuity or unitrust interest that can be transferred by a donor's spouse to a charity at the trustee's discretion will qualify for the marital deduction.	406
	3. Commented that some insurance brokers promote wealth replacement trusts to sell more life insurance.	408
	4. Form 5227 has been reformatted to accommodate electronic filing in the future, as explained in this edition.	409
	5. The IRS privately ruled that an existing trust that the grantor had intended to be a charitable remainder trust (CRT), could have its distribution provisions revised to qualify as a CRT.	409
CHAPTER 5 Charitable Lead Trusts	1. Included an example of using a charitable lead trust (CLT) to meet a dependent's future needs and still make a charitable bequest.	502
	2. Added a planning tip mentioning the impact of lower Section 7520 rates on the charitable deduction when using a charitable lead annuity trust.	506
CHAPTER 6 Private Foundations and Alternative Charitable Entities	1. The references to Form 990-PF Part have been revised for the redesignated sections of the IRS form.	Through out
	2. The IRS announced they will not rule on whether a foundation's ownership in a limited liability company or other entity holding a note issued by a disqualified person is an act of self-dealing.	604
CHAPTER 7 Pooled Income Funds	1. Mentioned the factors a donor should consider when selecting a pooled income fund (PIF).	700
CHAPTER 10 Charitable Contributions of Qualified Conservation Easements	1. Added a new example illustrating the calculation of the contribution carryover for a farmer or rancher.	1003
CHAPTER 11 Deducting Charitable Contributions for Estate and Gift tax	1. Included a discussion of the <i>Warne</i> case, where the Tax Court applied valuation discounts to reduce the charitable deduction for an LLC interest transferred at death to two separate charities.	1101
	2. Added a comment on the impact that requiring a condition or occurrence of an event can have on a charitable deduction.	1101
	3. Enhanced the discussion on gifts of fractional interests in personal property.	1102
	4. Added a checklist for charitable transfers in estate planning.	Appendix 11A