

# COMMODITIES GIVING

Remembering the Lord of the harvest



The first fruits of your grain...you shall give to him.  
Deuteronomy 18:4

All that first opens the womb is mine, all your  
livestock, the firstborn of cow and sheep.

Exodus 34:19

KINGMAN UNITED METHODIST CHURCH

PO Box 287, Kingman, KS 67068

620-532-3381

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# WHY GIVE IN COMMODITIES?

## Donated commodities can lead to potential overall savings on self-employment, state, and federal taxes

Savings can be substantial: You may minimize costly tax deduction phase-outs. Some tax benefits are taken away at higher levels of adjusted gross income (AGI). These benefits are retained when you give commodities rather than cash. The savings could be even more than the gift itself.

### Donated commodities can provide tax benefits

IRS rules limit deductions to 50% of your AGI. Since donated commodities is not reported as income, you can, in effect, give more and save more taxes than those limits allow.

### Does the IRS allow giving commodities in this way?

Yes. You will find the IRS rules governing these transactions in Treasury Regulation 1.170A-1(c) (4).

### Is this new (and untested)?

No. The IRS ruling was made in 1970; so the IRS code has allowed this type of transaction for decades. This is a well-worn path for charitable giving.

### Will I receive a tax receipt for my donated commodities?

You will not receive one since you will have recorded no taxable income on your donated commodities.

### Will giving commodities effect my FSA/crop insurance production records?

No. Your grain buyer will credit your production as usual. Giving the grain is similar, for example, to allocating production to the various owners of a farm.

### Is it complicated to set up?

No. Simply follow these steps:

1. Ask your buyer to create an account for:

Kingman United Methodist Church

PO Box 287

Kingman, KS 67068

2. Transfer or deposit the commodities into that account

3. Call the office to notify the church of your gift at 620-532-3381

The church will sell the commodities as soon as feasible and deposit the proceeds into the church's account or restricted account, if directed.

For more information contact Brad Frisbee (bwf@cox.net) or Chad Williams (chadwick\_williams@hotmail.com)

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