



Contact:

February 3, 2020

Ryan C. Sheppard, CPA, CFF  
Partner  
Knight Roller Sheppard CPAS, LLP  
rcs@krscpasllp.com

**Q: What is a qualified charitable distribution?**

**A:** This is an otherwise taxable distribution from an IRA that is owned by an individual 70 ½ or older/ The distribution is paid directly from the IRA to a qualified charity. This transfer is nontaxable to the owner for an annual amount of \$100,000.

**Q: If I make a qualified charitable distribution, will this satisfy my required minimum distribution?**

**A:** Yes! The qualified charitable distribution can satisfy your full required minimum distribution or just a part of it.

**Q: Do I get a charitable deduction for my distribution?**

**A:** No, the distribution is treated as nontaxable and therefore, an additional charitable deduction would not be allowed.

**Q: Can I just make a donation to a qualified charity from my personal checking account instead of my IRA?**

**A:** If you are going to make a charitable donation and have a required minimum distribution, it would be beneficial to donate straight from your IRA account. The distribution would not be included in your taxable income and therefore would be a dollar for dollar reduction in adjusted gross income. Additionally, you would generate additional state savings from a distribution from your IRA. Many states such as CT do not incorporate itemized deductions (charitable contributions would be an itemized deduction) and therefore, you would not receive any benefit from a distribution from your personal account. A donation from your IRA would then provide a reduction to your state taxable income.