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Qualified Charitable Distributions Satisfy the Required Minimum Distribution Obligation: Careful Planning is Required Due to Recent Developments

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Abstract

The Internal Revenue Code allows certain seniors to make distributions from their traditional individual retirement accounts (IRAs) directly to charities without including the distributed amount in gross income. These distributions, called qualified charitable distributions (QCDs), can benefit many more seniors than before because of changes made by the Tax Cuts and Jobs Act of 2017 (TCJA), which significantly increased the standard deduction, so many individuals will no longer claim itemized deductions. This article explores this provision and planning related to RMDs, especially the order of the distributions.

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