

## **Receive Tax Deductions from Donations to Habitat for Humanity Via Cost Segregation Studies**

Engineered Tax Services (ETS) is helping make communities better places by helping their clients donate used, eligible assets to Habitat for Humanity.

“Your contribution will be a great way to serve the local community, reduce, reuse, and increase the tax benefits of your project,” said Tax Manager, Catherine LaPorte.

The process begins with a cost segregation study on a client’s construction project. ETS’s expert engineers then assess which items are eligible for tax deductions via donation. The ETS team then coordinates with the client’s local Habitat for Humanity center to pick up eligible assets. The clients, in turn, receive additional tax deductions by not letting those items go to waste by donating them to charity – so, it really is great for everyone involved.

### *Preparing for Your Charitable Contribution*

For cities that Habitat for Humanity offers this service, a noncash charitable contribution worksheet is given to each client to assist with recordkeeping. This worksheet is also used to prepare IRS Form 8283 for reporting of noncash contributions. This list is not all inclusive, but items may be added as needed. The client also needs to provide a rough estimate of the type and number of items being removed - that helps in arranging the pick-up. This same sheet will be used for logging actual accepted goods.

Below is some of the criteria provided by Habitat for Humanity which outlines the acceptance guidelines and restrictions. Clients can refer to the guidelines on the Habitat for Humanity website prior to the cost segregation study and deconstruction to plan the separation of items accordingly and to see if this is available in your city.

- Any goods must be already removed from walls, bases, or other fixtures and brought to ground level for pick up.
- A photo of at least one (1) of each item is to be sent to the center prior to scheduling pick-up.

*Submitted by: Melissa Ferguson, ETS*

*Note: Please contact MM Consulting Solutions if you would like a personal introduction to ETS to find out more about this tax strategy.*