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## Trump may be eligible for a tax break after donating his salary to stop the coronavirus

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### KEY POINTS

- President Donald Trump donated his salary for the fourth quarter of 2019 to the Department of Health and Human Services.
- Feeling generous? You can make a gift to the federal government, as well, by writing a check to the Treasury and noting that it's a gift to the U.S.
- If you itemize on your income tax return, you can claim a charitable donation deduction.

President Donald Trump is giving away part of his salary to help stop coronavirus, and he just might be able to take a tax break for doing so.

The [president donated \\$100,000](#) — his salary for the fourth quarter of 2019 — to the Department of Health and Human Services. Trump has donated his salary to a different federal agency each quarter since he's been in office.

President [@realDonaldTrump](#) made a commitment to donate his salary while in office. Honoring that promise and to further protect the American people, he is donating his 2019 Q4 salary to [@HHSGov](#) to support the efforts being undertaken to confront, contain, and combat [#Coronavirus](#).

It pays to be generous.

"Taxpayers can claim a deduction for gifts to the federal government as long as they itemize deductions on their returns," said Joshua Blank, a law professor at the University of California, Irvine School of Law.

“Trump gets the income and he wants to give it to someone else,” he said. “Is there a deduction allowed?”

“By statute, the answer is yes,” Blank added. “But he has to pay taxes on income received.”

The White House referred questions on whether Trump would deduct the donation to his outside counsel. Jay Sekulow, the president’s attorney, said the matter was not his area.

During the 2019 fiscal year, the Treasury’s Bureau of the Fiscal Service received [\\$4.9 million in gifts](#) from the public to help reduce the nation’s debt.

Indeed, the U.S. has established a special account called [“Gifts to the United States”](#) to receive these contributions.

These donations are considered “charitable contributions” only if the gift is made exclusively for public purposes, according to a [2012 Treasury letter](#) on the matter.

Other [federal agencies](#) that are open to donations from the public include the National Endowment for the Arts, the Department of State and the presidential libraries and museums of the National Archives and Records Administration.

Here’s how you — and the president — can write off charitable giving to the U.S.

### **You have to earn it before giving it away**

In order to get any kind of tax benefit from donating part of your salary, you’ll need to pay your share to Uncle Sam first.

Income and payroll taxes will still apply to the money you earn, even if you give everything away.

“You can’t just assign the income to someone else and tell the IRS to go tax them,” said Michael D’Addio, principal at Marcum LLP in New Haven, Connecticut. “It’s more like you receive the income first and then transfer it to a third party.”

Further, there’s a limit to your donation. That is, your whole salary may not be eligible for a write-off.

In the case of cash contributions, including salary donations, you can deduct [no more than 60%](#) of your adjusted gross income.

Finally, there’s a distinction between donating your pay versus avoiding compensation altogether.

If you waive payment for your services, you can’t write it off.

“If I can donate services as a lawyer and claim the deduction, I would be getting an economic benefit from the deduction without ever being taxed on the labor,” said Blank.

“When the president gets his paycheck, he has to be taxed on it to claim the deduction,” he said.

### **Maintaining documentation**

Only taxpayers who claim itemized deductions can take a write-off for their generosity.

The Tax Cuts and Jobs Act roughly doubled the standard deduction starting in 2018, resulting in fewer filers claiming breaks for charitable giving.

About 16.7 million taxpayers itemized deductions on their 2018 returns, compared to 46.2 million filers during the 2017 tax year, according to the IRS.

If you're eligible to take a break for giving money back to the federal government, be sure to retain your bank records reflecting the donation and written acknowledgement from Uncle Sam.