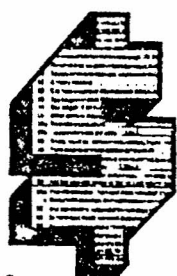


1993 DUES ARE PAID: E: Your 1993 dues are now due and payable. Your check for \$15 should be made out to Ted Waterfall, our new Treasurer, and sent to him at the following address: 4593 Muirwood Circle, Powder Springs, GA., 30073. His phone number is 404-439-8251. The date following your name on the mailing label indicates your membership expiration.

Read This Article About TAX DEDUCTIONS!



The Internal
Revenue
Service

&

The Civil
War
Reenactor



By Zebbee M. Fortner, C. P. A.

As you are all aware, our civil war activities can become expensive. Fortunately, they fall under the heading of out-of-pocket expenses while performing volunteer work. This means a large percentage of these expenses can be deducted on your tax return under Charitable Contributions if you itemize. This article will explain which expenses are deductible and provide examples for you to use in preparing your tax return.

I. QUALIFYING ORGANIZATIONS

Most organizations can tell you if they are a qualified organization. The following are qualified organizations:

- A. Churches or other religious organizations.
- B. Nonprofit charitable organizations such as Salvation Army, Red Cross, CARE, Goodwill Industries and United Way.
- C. Nonprofit hospitals and medical research organizations.
- D. Public parks and recreation facilities.
- E. Veterans Groups.

F. Organizations operated for educational, scientific or literary purposes or for civil defense or the protection of children or animals, and nonprofit museums. This would include Reenactment groups that have been certified as non-profit by the IRS.

II. VOLUNTEER WORK OUT-OF-POCKET EXPENSES

Reasonable out-of-pocket expenses incurred when rendering volunteer services to charitable organizations are deductible. However, you may not deduct the value of your time or services. Some of the out-of-pocket costs are listed below.

A. Uniforms and Clothing.

You may deduct the cost and upkeep of uniforms that you must wear while performing donated services for a charitable organization if they are not suitable for everyday use.

Example 1. You buy a civil war uniform or dress to wear while performing work for civil war events. The cost of the uniform or dress is deductible as a charitable contribution.

Example 2. You buy \$45 worth of material to have a civil war uniform or dress made to wear while performing at civil war events. You pay a seamstress \$60 to make the uniform or dress. You may deduct the \$45 cost of the material plus the \$60 labor of the seamstress.

Example 3. You buy \$45 worth of material to have a civil war uniform or dress to wear while performing volunteer services. You make the uniform or dress yourself. You can deduct the \$45 for the cost of the material, however, you cannot deduct the value of your time.

Example 4. You buy a pair of \$55 earrings to wear while performing volunteer services. Since they are suitable for everyday wear, they are not deductible.

Example 5. You take your civil war uniform or dress to the cleaners to have it cleaned. Since this is required for the maintenance of your outfit, it is deductible.

B. Equipment and Supplies.

Equipment and supplies used when performing services for charitable organizations are deductible.

Example 1. You buy a civil war tent to use in your impression while performing living history events for the park service. Since this equipment is used while performing services, it is deductible.

Camp Chase Gazette

Example 2. You buy a three piece stove set to cook on while performing volunteer service. If this is equipment used in your volunteer work, it is deductible.

C. Car Expenses.

You can deduct the cost of gas and oil that are directly related to the use of your car in giving volunteer services to a charitable organizations. You may not deduct general repair and maintenance expenses, depreciation, or insurance. If you do not want to deduct your actual expenses, you may use a standard rate of 12 cents per mile (1990 rate - *this is one area you need to monitor for changes*). You may deduct parking fees and tolls whether you use actual expenses or the standard rate.

Example 1. You travel out of state to volunteer for a civil war event. You save your actual gas receipts which amounted to \$48. You can deduct the gas you spent as an out-of-pocket expense.

Example 2. You travel out of state to a civil war event to perform volunteer services. Your odometer read 54,500 at the start of the trip. When you returned it read 55,500. You have traveled 1,000 miles at 12 cents a mile = \$120 that you may deduct as an out-of-pocket expense.

Note: When you use the standard mile rate, you must maintain written evidence of your travel. An example of a good log would be:

Date	Event	Odometer Start	Odometer End	Miles Driven
02-18-91	Olustee, FL	54,500	55,500	1000

Example 3. While attending a living history event you had to pay \$3 a day parking. You may deduct the cost of parking if you use actual receipts or the standard mile rate.

Example 4. While going to Perryville, KY to perform in the reenactment, you had to pay \$1.25 toll fare. You can deduct the toll as an out-of-pocket expense if you use actual receipts or the standard mile rate.

Example 5. You take the bus to go to a living history event to perform some volunteer services. You may deduct the cost of public transportation while performing charitable volunteer work.

Example 6. Your car breaks down while returning from a civil war reenactment. It cost \$250 to repair. Since this is a general repair, you cannot take this as an out-of-pocket expense.

D. Travel.

You may claim an out-of-pocket expense while performing volunteer services for travel expenses while you are away from home. Deductible travel expenses include:

1. Air, rail & bus transportation
2. Out-of-pocket expenses for your car
3. Taxi fares or other cost of transportation between the airport or station to your hotel
4. Lodging Costs
5. 80% of the cost of meals (*this is another area to watch for changes*)

Example . Travel to Mobile, Alabama to participate in the Battle of Fort Morgan.

A. Gas:

8-09-91	Amoco	\$11.00
8-09-91	Exxon	12.00
8-09-91	BP	15.00
8-10-91	Amoco	25.00
8-12-91	Exxon	12.00
8-12-91	Exxon	20.00
8-12-91	Amoco	14.00
	TOTAL	\$107.00

You keep your gas receipts and spend \$107. Your odometer reads 12,100 when you start and when you return it reads 13,200. You have the choice of either:

\$107 Actual Receipts, or

13,200-12,100 = 1100 miles travelled at 12 cents (standard mileage rate) per mile = \$132 deduction. Since the deduction using actual receipts (\$107) is less than the standard mile-rate (\$132), it would be to your advantage to use the standard mileage rate.

B. Food:

8-09-91	O'Charleys	\$15.00
8-10-91	A&P	55.00
8-12-91	McDonalds	9.00
8-12-91	Bonanza	14.00
	TOTAL	\$93.00

On the way down and back, you spend \$93 for food. You can deduct \$74.40 (\$93 times 0.8), since meals are only 80 percent deductible.

C. Lodging:

8-09-91	Ramada Inn	\$45.00
8-12-91	Holiday Inn	60.00
	TOTAL	\$105.00

You spend Friday night in Gulf Shores at Ramada Inn which cost \$45. You spend Sunday night in Montgomery at Holiday Inn which cost \$60. You can deduct the full \$105 for lodging.

D. Equipment:

8-10-91	Shoddy & Shyster Sutlery	\$15.00
8-10-91	Marietta Sutler	\$35.00

You buy a housewife and a package of uniform buttons from Shoddy and Shyster (\$15) and a pair of earrings from the Marietta Sutler (\$35). Your allowable deduction is \$15, since the earrings can be worn in everyday wear.

Summary of deductible expenses:

Gas (standard rate):	\$132
Food (\$93 times 0.8):	\$74
Lodging (actual receipts):	\$105
Equipment (actual receipts):	\$15

III. WHEN DEDUCTIBLE

To deduct your out-of-pocket expenses, you must pay them in cash or other property before the close of your tax year. A check that you mail to an organization is considered delivered on the date you mail it. If you charge the expense on your bank credit card, it is deductible in the year you make the charge.

IV. LIMITATIONS

Out-of-pocket expenses you spend, an individual, when performing volunteer services are subject to limitation. The total is limited to 50 percent of your adjusted gross income (line 32, Form 1040).

Example. Your adjusted gross income (line 32, Form 1040) was \$50,000.00. Your out-of-pocket charitable expenses are limited to \$25,000.00 (50 percent of \$50,000.00).

V. HOW TO DEDUCT

In order to deduct out-of-pocket volunteer expenses you must be able to itemize or use a Schedule A. Those of you who file the "short form" or Form 1040-EZ are not eligible to deduct these expenses. To itemize, your total deductions must be greater than:

Filing Status	1990	1991
Single	\$3,250	\$3,400
Head of Household	4,750	5,000
Married Filing Jointly	5,450	5,700
Married Filing Separately	2,725	2,850

VI. RECORD KEEPING

The importance of record keeping cannot be overemphasized, as a review of tax court cases will attest. If you have out-of-pocket expenses when you donate your services, you must keep one of the following for each contribution you make:

A. A cancelled check.

B. A receipt showing the name of the company, the date of the expenditure, and the amount.

C. Other reliable written records that include the above information. Records may be considered reliable if they are regularly kept or in the case of small donations, you have items such as buttons, tokens, or emblems.

Appendix A on page 30 is a sample log form which you are encouraged to copy and use for your record keeping. A separate log form would be filled out for each event with applicable receipts stapled to it. We also recommend you obtain a manilla folder for each tax year and place your log forms and all receipts in that folder.

VII. COMPREHENSIVE EXAMPLE FOR THE YEAR

During the year your receipt logs reflected the following:

Date	Payee	Amounts	Description/Event
01-03-91	Hancock Fabrics	\$75.00	Mat'l tea dress
03-22-91	Amoco	12.00	Gas/Bibb Furnace
03-22-91	McDonald's	9.00	Food/Bibb Furnace
03-22-91	Exxon	20.00	Gas/Bibb Furnace
03-22-91	Kroger	35.00	Food/Bibb Furnace
03-23-91	Mary & Co	50.00	Corset/Bibb Furnace
03-23-91	General Sutler	17.00	Chair/Bibb Fur.
03-24-91	Cracker Barrel	12.00	Food/Bibb Furnace
03-24-91	BP	18.00	Gas/Bibb Furnace
03-24-91	Shell	20.00	Gas/Bibb Furnace
04-06-91	Village Fabrics	65.00	Mat'l for Ball Gown
04-06-91	Mary-Seamstress	75.00	Labor for Ball Gown
04-26-91	Amoco	25.00	Gas/Selma, AL
04-26-91	Ky Fried Chick.	12.00	Food/Selma, AL
04-26-91	Exxon	15.00	Gas/Selma, AL
04-26-91	Food Lion	45.00	Food/Selma, AL
04-28-91	Shell	30.00	Gas/Selma, AL
04-28-91	BP	15.00	Gas/Selma, AL
05-24-91	Kroger	60.00	Food/J-borough, TN

05-24-91	Amoco	25.08
05-24-91	Hardees	11.00
05-24-91	Exxon	12.00
05-24-91	J-borough B&B	120.00
05-25-91	The Cook Nook	15.00
05-25-91	Wendy's	12.00
05-26-91	Waffle House	8.00
05-26-91	Exxon	17.00
05-26-91	Shell	22.00
10-04-91	Shell	25.00
10-04-91	K-Mart	12.00
10-04-91	Cracker Barrel	8.50
10-04-91	Kroger	35.00
10-08-91	Shell	27.00

Gas/J-borough, TN
Food/J-borough, TN
Gas/J-borough, TN
Lodging/J-borough
Lunch/J-borough
Dinner/J-borough
Breakfast/J-borough
Gas/J-borough, TN
Gas/J-borough, TN
Gas/Perryville, KY
Supplies/Perryville
Breakfast/Perryville
Food/Perryville, KY
Gas/Perryville, KY

Your odometer log reflected the following:

Odometer Miles				
Date	Event	Start	End	Driven
03-22-91	Briarfield, AL	54,500	55,000	500
04-26-91	Selma, AL	57,000	57,900	900
05-24-91	J-borough, TN	61,000	61,600	600
10-04-91	Perryville, KY	69,000	69,750	750

For out-of-pocket expenses you should be able to deduct the following:

Gas

03-22-91	Amoco	12.00
03-22-91	Exxon	20.00
03-24-91	BP	18.00
03-24-91	Shell	20.00
04-26-91	Amoco	25.00
04-26-91	Exxon	15.00
04-28-91	Shell	30.00
04-28-91	BP	15.00
05-24-91	Amoco	25.00
05-24-91	Exxon	12.00
05-26-91	Exxon	17.00
05-26-91	Shell	22.00
10-04-91	Shell	25.00
10-06-91	Shell	27.00
TOTAL		\$283.00

- or -

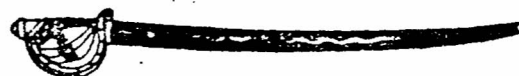
03-22-91	Briarfield, AL	500 Miles Driven
04-26-91	Selma, AL	900
05-24-91	Jonesborough, TN	600
10-04-91	Perryville, KY	750

2,750 Total Miles Driven x 0.12 per mile = \$330.00 Deduction

Since the deduction for the standard mile is greater than using actual receipts, it would be to your advantage to use \$330.00

Lodging and Equipment

01-03-91	Hancock Fabrics	75.00
03-23-91	Mary Ellen & Co.	50.00
03-23-91	General Sutler	17.00
04-06-91	Village Fabrics	65.00
04-06-91	Mary Beth Seams	75.00
05-24-91	Jonesborough B&B	122.00
10-04-91	K-Mart	12.00
TOTAL		\$416.00



Meals/Food

03-22-91	McDonalds	9.00
03-22-91	Kroger	35.00
03-24-91	Cracker Barrel	12.00
04-26-91	Kentucky Fried	12.00
04-26-91	Food Lion	45.00
05-24-91	Kroger	60.00
05-24-91	Hardees	11.00

05-25-91 The Cook Hook 15.00
 05-25-91 Wendy's 12.00
 05-26-91 Waffle House 8.00
 10-04-91 Cracker Barrel 18.50
 SUBTOTAL: \$227.50 x 0.8 Allowable Deduction = \$182.00

Summary of Comprehensive Example:

Your total deductions would be:
 Gas \$330.00, Lodging and Equipment \$416.00,

Meals/Food \$182.00; TOTAL DEDUCTION = \$928.00

These deductions would be entered on line 14 of Schedule A (see Appendix B - page 33).

Also, assume you have the additional deductions listed below (line numbers refer to Schedule A):

Mortgage Interest \$3,100 (Line 9a)

Real Estate Taxes \$700 (Line 6)

The deductions would be listed on Schedule A (See Appendix B) for a total of \$4,728. If you were filing Single or Married Filing Separately, you would have enough deductions to itemize (\$4,728 vs 3,400 or 2,850, respectively). However, if you were filing Head Of Household or Married Filing Jointly, you would not have enough deductions to itemize (\$4,728 vs 5,000 or 5,700, respectively). Note that these limits too are subject to change, so consult your tax publications for the current tax year.

VIII. MISCELLANEOUS

A. Unit Dues

These are only deductible if the organization is both a corporation and has been granted tax-exempt status by the IRS.

Example. The Nineteenth Alabama Infantry Regiment, Inc., meets these criteria. The Alabama Division does not meet these criteria.

B. Event Registration Fees

These fees are deductible only if the sponsoring organization is a qualifying organization as outlined in Section I above.

X. REFERENCES

You should consult IRS Publication 521, Charitable Contributions, every tax year to guide you in preparing this portion of your tax return.

Behind the byline: Zebee is a Certified Public Accountant from Lawrence, Tennessee. She is co-editor of the Ladies' Soldiers' Friend Society Newsletter. The Ladies' Soldiers' Friend Society is the driving force behind the Annual Women's Encampment at Stones River National Battlefield Park.

A version of this article was presented at the Seminar For The Sixties in March 1991.

Caution. The purpose of this article is to bring some potential tax benefits to your attention. However tax laws are revised every year and each individual's tax situation is unique. We advise you to consult your own tax advisor before claiming any of the deductions described above.



SCHEDULE A-1040		Schedule A—Itemized Deductions		OMB No. 1545-0046	
(Form 1040)		(Schedule A is on back)		1990	
Department of the Treasury Internal Revenue Service (IRS)		▶ Attach to Form 1040. ▶ Use instructions for Schedules A and B (Form 1040).		Attachment Sequence No. 07	
Comprehensive Example 2					
Medical and Dental Expenses	1	Caution: Do not include expenses reimbursed or paid by others. Medical and dental expenses. (See page 27 of the instructions.)	1		
	2	Enter amount from Form 1040, line 32	2		
	3	Multiply the amount on line 2 by 7.5% (0.075). Enter the result.	3		
	4	Subtract line 3 from line 1. Enter the result. If less than zero, enter -0-	4		
Taxes You Paid	5	State and local income taxes	5		
	6	Real estate taxes	6	750	
	7	Other taxes. (List—Include personal property taxes.) ▶	7		
	8	Add the amounts on lines 5 through 7. Enter the total.	8		750
Interest You Paid	9a	Deductible home mortgage interest paid to financial institutions and reported to you on Form 1098. Repeat deductible points on line 10.	9a	3100	
	b	Other deductible home mortgage interest. (If paid to an individual, show that person's name and address.) ▶	b		
	10	Deductible points. (See instructions for special rules.)	10		
	11	Deductible investment interest. (Attach Form 4252 if required. See page 23.)	11		
	12a	Personal interest you paid. (See page 23.)	12a		
	b	Multiply the amount on line 12a by 10% (0.10). Enter the result.	b		
	13	Add the amounts on lines 9a through 12b. Enter the total.	13		3100
Charity	14	Caution: If you made a charitable contribution and received a receipt in return, see page 25 of the instructions.	14	928	
	15	Contributions by cash or check	15		
	16	Other than cash or check. (You MUST attach Form 8273 if over \$500.)	16		
	17	Carryover from prior year.	17		
	18	Add the amounts on lines 14 through 17. Enter the total.	18		928
Casualty and Theft Losses	19	Casualty or theft losses. (Attach Form 4684. See page 29 of the instructions.) ▶	19		
Moving Expenses	20	Moving expenses. (Attach Form 2003 or 2003F. See page 30 of the instructions.) ▶	20		
Job Expenses and Other Miscellaneous Deductions	21	Unreimbursed employee expenses—job travel, union dues, job education, etc. (You MUST attach Form 2106 if required. See instructions.) ▶	21		
	22	Other expenses. (Investment, tax preparation, safe deposit box, etc.) List type and amount ▶	22		
	23	Add the amounts on lines 20 and 21. Enter the total.	23		
	24	Enter amount from Form 1040, line 32.	24		
	25	Multiply the amount on line 23 by 2% (0.02). Enter the result.	25		
	26	Subtract line 24 from line 25. Enter the result. If less than zero, enter -0-	26		
Other Miscellaneous Deductions	27	Other (from list on page 30 of instructions). List type and amount ▶	27		
Total Itemized Deductions	28	Add the amounts on lines 4, 8, 13, 18, 23, 25, and 26. Enter the total here. Then enter on Form 1040, line 34, the LARGER of this total or your standard deduction from page 20 of the instructions.	28		4728

Appendix B: Example of Schedule A - Form 1040

Charitable Contributions - Travel & Expense Log

Name:	Event:	Year:
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[illegible]

Remarks/Comments:

Mileage:
Start: _____
Stop: _____
Total: _____ X 0.12 = \$ _____

Host Unit/Organization: _____

Registration Fee: _____ Date: _____

Appendix A - Travel and Expense Log Form

Notes:

- 1) Keep all receipts.
- 2) 80% deduction for food