

# New Tax Laws FAQ's

The Pension Protection Act of 2006 includes a number of provisions specifically targeted at the non-profit sector.

## **What do these tax laws mean to me?**

When you make a contribution by payroll deduction, you must have two forms of documentation to prove the tax deduction at the end of the year:

- A pay stub, W-2 Form, or another document furnished by the employer that indicates the amount withheld during the tax year for payment to MHUW. AND
- A copy of your pledge card, or other confirmation letter prepared by MHUW.
- If you make a one-time contribution (not using payroll deduction) of less than \$250, then you only need one form of documentation for your tax deduction at the end of the year, which can be:
  - A bank record, such as a photocopy of the check, or a bank statement. OR
  - A copy of your pledge card, or if you don't have a pledge card, a confirmation letter prepared by MHUW.

In all cases, the documentation you use as "proof" must contain three points of information:

- The date of the contribution
- The amount of the contribution
- The name of the non-profit organization

## **By when should I receive a tax receipt?**

For the documentation to be considered a tax deduction, a donor must receive the acknowledgement by the earlier of:

- The date on which you file the tax return. OR
- The due date (including extensions) of the tax return.

Please do not consider the information in this section to be tax advice. We recommend you consult a professional tax advisor when it comes to filing taxes, and consult the IRS website at [www.irs.gov](http://www.irs.gov).

If you have questions about the history of your gift, please contact your DRR.