

FACT SHEET FOR DONORS – Cultural Gifts Program

Donors can claim tax deductions for cultural gifts made to La Trobe University. Under the Cultural Gifts Program we can accept:

- indigenous arts
- cultural artefacts
- natural and scientific materials
- film and social history pieces
- paintings
- prints
- manuscripts
- books
- antiques, and
- jewellery.

Extra Donor Benefit - Capital Gains Tax Exempt

Cultural gifts are exempt from CGT.

How can a tax deduction be claimed?

A donation for a cultural gift can be spread over a maximum period of 5 years at the donor's discretion and claimed in your tax return. Note that a deduction for a gift cannot add to or create a tax loss.

Cultural gifts – valuations

The general rule is that the amount of the deduction is the average of two or more written valuations made by approved valuers.

The valuations must:

- be prepared by different approved valuers, and
- state the GST-inclusive market value of the property on the day the gift was given, or on the day of its valuation.

Generally the valuation must be made within 90 days before or after the gift was given. Only the Tax Office can allow a longer period. (See also ATO Tax Ruling 96/1)

Valuation Exceptions

Exceptions to the general rule fall into three main categories, which are:

- valuations are not required,
- valuations do not fairly represent the GST-inclusive market value, and
- other factors need to be considered.

This Fact Sheet does not constitute investment or financial advice and La Trobe University does not offer investment or financial advice. Donors should seek independent professional advice on tax and other implications before making a gift.

Where valuations are not required

Written valuations are not required if:

- no amount is included in the donor's assessable income in respect of the gift, and
- an amount would have been included if the property had been sold rather than gifted.

Where valuations are not required, the amount of the deduction, to the extent that it does not add to or create an income tax loss, is:

- the amount paid for the property, or
- if the property had been manufactured or created, the amount allowable as a tax deduction if it had been sold by the donor.

What are the characteristics of a *bona fide* gift?

- d. They are made voluntarily,
- e. They do not provide a material benefit to the donor, and
- f. They essentially arise from 'benefaction, and from detached and disinterested generosity.'

How to donate cultural gifts

For valuation guidance on cultural gifts, phone the La Trobe University Art Museum, 03 9479 2111.

For general enquiries on donations, phone the University's Taxation and Banking Manager on 03 9479 2068.

The tax benefits of donations are subject to prevailing taxation legislation. For further information on donations visit the Australian Taxation Office website at:

<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/30662.htm>

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