

Letters to the Editor and Jeff's Replies

Editor's Note: We received some excellent comments and clarifications to April's *E-Gobrecht* article by Jeff Pritchard (see pages 5-7 of that edition) about donating rare coins to LSCC or other numismatic organizations. Printed below are portions of those letters, followed by insightful commentary from Jeff Pritchard. Please remember to consult **your** tax professional when considering any charitable contribution!

(Also: Letters to the Editor are **always** welcome, and may be sent to Michael Fleming, LSCC #2995, at EGEditor1891@gmail.com)

From Gerald Tebben:

I think there's an issue in the Donating Coins article in *E-Gobrecht*. Page 7 implies the 2026 \$1,000 (single) \$2,000 (married, filing jointly) above-the-line charitable deduction applies to donated coins...but the IRS says the 2026 above-the-line deduction applies to cash contributions – only.

This is probably the single-most question I've encountered doing taxes this year for the AARP Foundation's Tax-Aide program. People want to know if they can deduct Goodwill donations next year, even if they don't itemize.

Of the 100 or so returns I did this year, only a few people were able to itemize, so the potential tax break is a big deal for low to moderate income senior citizens.

From Jason Feldman:

Congratulations on the charity status. I enjoyed reading the article on donations.

This was a very helpful and timely overview. The discussion around avoiding capital gains and the mechanics of donating coins to a qualified organization is clear and useful, particularly for collectors who have held appreciated pieces for many years.

One point that may benefit from further emphasis is the **"related use" requirement**. In practice, many organizations ultimately **sell** donated coins rather than **retain** them for display or educational purposes. If that occurs, the donor's deduction is generally limited to **cost basis**, which **materially** changes the expected tax out-

come. Given how central that issue is, it may be worth encouraging donors to confirm the **intended** use of the coins **in advance** and **document** that understanding.

The three year disposition rule is another area where additional caution may be warranted. Donors may not fully appreciate that a subsequent sale by the organization **can** create a **retroactive** adjustment to their deduction, potentially leading to amended filings or additional tax exposure.

Overall, this is a strong piece that addresses a topic many collectors have questions about. With a bit more emphasis on these practical risks, it would provide an even more complete roadmap for those considering this strategy.

Follow-Up by Jeff Pritchard:

Gerald's clarification of my oversight is greatly appreciated – and absolutely correct! The **2026** \$1,000 or \$2,000 charitable deduction available for "non-itemizers" is **only** permitted for **cash** donations – **not** for donations of personal property (including coins). **Good catch Gerald!**

Jason's letter underscores a key point: A numismatic organization's plans **can** change! Unexpected financial pressure, senior leadership turnover, or facilities downsizing are just a few of the reasons an organization may change (or forget!) assurances made to donors that it wouldn't sell donated rare coins within the 3-year look-back period, potentially triggering tax complications for the donor.

Larger donors would be well advised to request a **Letter of Intent (LOI)** from the numismatic organization attesting that they don't plan to sell the coin(s) within the key 3-year period. And while not a binding commitment, as a point of reputational integrity, a LOI encourages an organization to honor its original assurances.

One bright spot here is that charitable organizations are only expected to file **IRS Form 8282** – indicating they sold donated coins within those 3 years – if the coin sold is **above** the \$5,000 threshold. The sale of lesser items shouldn't have any downstream tax implications for the donor.