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Federal Tax Coordinator 2d

Chapter K Deductions: Taxes, Interest, Charitable, Medical, Others

K-3000 Contribution Must Be a Charitable Gift.

K-3090 Raffles, bingo and similar games conducted by charities.

Federal Tax Coordinator 2d

¶K-3090. Raffles, bingo and similar games conducted by charities.

Most persons who buy raffle tickets for the benefit of a church or other charitable, etc., organization intend primarily to make a contribution although the gambling aspects may lend an element of excitement or suspense. But if the raffle ticket entitles the buyer to a chance for valuable prizes, then the payment for the ticket *isn't* a charitable contribution to any extent; it's merely the price paid for a chance at a valuable prize. (However, the Sixth Circuit suggested that if a charitable organization puts a reasonable value on the raffle ticket and designates the excess of the ticket price above that value as a contribution, the *excess may possibly* be deductible, see ¶K-3089 .) [28](#)

[28](#)

Goldman, Douglas v. Com., (1967, CA6) 21 AFTR 2d 301 , 388 F2d 476 , 68-1 USTC ¶9126 , affg (1966) 46 TC 136 .

Amounts paid for raffle tickets, bingo or similar games, and losses on games of chance aren't deductible charitable contributions. [29](#)

[29](#)

Rev Rul 83-130, 1983-2 CB 148 .

However, where a university distributed sweepstakes tickets, along with solicitations for contributions, by means of a direct mailing campaign, as well as through radio and television advertisements, contributions made in response to the campaign were deductible where participation in the sweepstakes wasn't contingent on making a contribution, and sweepstakes participants didn't have a better chance of winning if they made a donation. [29.1](#)

[29.1](#)

IRS Letter Ruling 200012061 .

For deductibility of the costs of raffles, bingo, or similar games, as wagering losses, see ¶M-6104 .
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