

ASK DOW JONES | *By Tom Herman*

Q: Is there any chance that Congress will allow IRA holders to once again donate money directly from an IRA to a charitable organization in 2010?
D.C., Westminster, Colo.

A: Yes, but it's still too soon to know what will happen. Right now, Congress is focusing on health-care issues. But lawmakers are expected to focus on this and many other tax-related issues later this year.

Our reader is asking about one of many tax laws scheduled to expire at the end of the year. This one generally allows individuals age 70 or older to move as much as \$100,000 a year directly from an individual retirement account to a qualified charity—without having the money transferred considered taxable income.

"You do not include the distribution in your income," the Internal Revenue Service says.

The key word here is "directly." To be valid, the transfer must be

made directly to the charity. For more details, see IRS Publication 590 at www.irs.gov.

Many charities love this provision and are rooting for an extension. They say its existence in recent years has led to many gifts that might not otherwise have been made.

President Obama proposed a one-year extension of the provision as part of his budget earlier this year.

"The current expectation is that an 'extenders' bill [to extend the life of tax laws scheduled to expire] will be taken up late this year," says Timothy Hanford, a tax consultant at ADC Strategies in Bethesda, Md. "The betting is that all of the provisions expiring in 2009 will get extended."

But the timing is unclear. "There is some possibility that the extenders [bill] will be put off until next year and then extended retroactively," says Mr. Hanford, who also is a former House Ways and Means Committee tax staffer.

"The nonstop focus on health-insurance reform has really pushed everything else off."

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TAXPAYER REMINDER: Mark your calendars. Oct. 15 is the federal income-tax filing deadline for taxpayers who got extensions earlier this year beyond April 15.

Send your questions to us at askdowjones.sunday03@wsj.com and include your name, address and telephone number. Questions may be edited; we regret that we cannot answer every letter.

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