

## Reporting IRA QCD Gifts

After an IRA QCD gift is made, the IRA Plan Administrator will provide the IRA account holder with a 1099-R form describing distributions for the tax year. The 1099-R will not indicate that the amount given is not taxable.

Taxpayers who have made IRA QCD gifts should be sure to make their advisors aware of the distribution to ensure that the non-taxable distribution is properly reported to the IRS.

Taxpayers need to report the entire amount of their IRA distribution for the tax year on line 4a of the IRS Form 1040. The taxpayer or tax preparer need to use line 4b to capture the qualified charitable distribution. Line 4a is the Gross Distribution and Line 4b is the Taxable Distribution. To the extent that line 4b is less than line 4a, the letters "QCD" should be noted after the amount reported in line 4b.

See the image below to illustrate this:

The image shows a screenshot of the IRS Form 1040 (2018) with a red oval highlighting lines 4a and 4b. Line 4a is labeled 'Gross distribution' and has the value '150,000'. Line 4b is labeled 'Taxable amount' and has the value '50,000' with 'QCD' written next to it. The form also shows other lines such as 1 through 13, 15, 16, and 17. The title of the page is 'How to Claim IRA QCDs on the 1040 Form'.

**For more information, visit [irs.gov](https://www.irs.gov) to read their *IRA – FAQ Distribution (Withdrawal) publication* at: <https://www.irs.gov/retirement-plans/retirement-plans-faqs-regarding-irasdistributions-withdrawals>**