

Treasury Secretary Mnuchin Statement on Clarification for Business Taxpayers: Contributions Under State and Local Tax Credit Programs Generally Deductible as Business Expenses

September 5, 2018

Washington— Today, the IRS clarified that business taxpayers who make business-related contributions to charities or government entities for which they receive state and local tax credits can generally deduct them as business expenses. The U.S. Treasury Secretary Steven T. Mnuchin released the following statement:

“The IRS clarification makes clear that the longstanding rule allowing businesses to deduct payments to charities as business expenses remains unchanged under the Tax Cuts and Jobs Act. The recent proposed rule concerning the cap on state and local tax deductions has no impact on federal tax benefits for business-related donations to school choice programs.”

[Please find additional information on this clarification here.](#)