§ 1.6115–1 Disclosure requirements for quid pro quo contributions.

(a) Good faith estimate defined—(1) In general. A good faith estimate of the value of goods or services provided by an organization described in section 170(c) in consideration for a taxpayer’s payment to that organization is an estimate of the fair market value, within the meaning of §1.170A–1(c)(2), of the goods or services. The organization may use any reasonable methodology in making a good faith estimate, provided it applies the methodology in good faith. If the organization fails to apply the methodology in good faith, the organization will be treated as not having met the requirements of section 6115. See section 6714 for the penalties that apply for failure to meet the requirements of section 6115.

(2) Good faith estimate for goods or services that are not commercially available. A good faith estimate of the value of goods or services that are not generally available in a commercial transaction may be determined by reference to the fair market value of similar or comparable goods or services. Goods or services may be similar or comparable even though they do not have the unique qualities of the goods or services that are being valued.

(3) Examples. The following examples illustrate the rules of this paragraph (a).

Example 1. Facility not available on a commercial basis. Museum M, an organization described in section 170(c), is located in Community N. In return for a payment of $50,000 or more, M allows a donor to hold a private event in a room located in M. Private events other than those held by such donors are not permitted to be held in M. Of these hotels, only O and P have ballrooms that offer amenities and atmosphere that are similar to the amenities and atmosphere of the room in M. Of these hotels, only O and P have ballrooms that offer amenities and atmosphere that are similar to the amenities and atmosphere of the room in M. Because the capacity, amenities, and atmosphere of the ballrooms in O and P are comparable to the capacity, amenities, and atmosphere of the capacity, amenities, and atmosphere of the
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(b) Certain goods or services disregarded. For purposes of section 6115, an organization described in section 170(c) may disregard goods or services described in § 1.170A–13(f)(8)(i).

(c) Value of the right to purchase tickets to college or university athletic events. For purposes of section 6115, the right to purchase tickets at an athletic event in exchange for a payment described in section 170(l) is treated as having a value equal to twenty percent of such payment.

(d) Goods or services provided to employees or partners of donors—(1) Certain goods or services disregarded. For purposes of section 6115, goods or services provided by an organization described in section 170(c) to employees of a donor or to partners of a partnership that is a donor in return for a payment to the donee organization may be disregarded to the extent that the goods or services provided to each employee or partner are the same as those described in § 1.170A–13(f)(8)(i).

(2) Description permitted in lieu of good faith estimate for other goods or services. The written disclosure statement required by section 6115 may include a description of goods or services, in lieu of a good faith estimate of their value, if the donor is—

(i) An employer and, in return for the donor’s quid pro quo contribution, an organization described in section 170(c) provides the donor’s employees with goods or services other than those described in paragraph (d)(1) of this section; and

(ii) A partnership and, in return for its quid pro quo contribution, the organization provides partners in the partnership with goods or services other than those described in paragraph (d)(1) of this section.

(e) Effective date. This section applies to contributions made on or after December 16, 1996. However, taxpayers may rely on the rules of this section for contributions made on or after January 1, 1994. (T.D. 8690, 61 FR 65954, Dec. 16, 1996)