



11.25.09

Information Letter 2009-02

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Dear \*\*\*\*:

This letter responds to your inquiry of \*\*\*\*, wherein you request clarification on the deductibility of special interest license plate fees as a charitable contribution under California law.

According to the California Arts Council website, an additional fee is charged for an Arts Council license plate. This fee is in addition to the regular costs for a California license plate. The Arts Council uses the additional payment to “support the agency’s programs for children and communities.”<sup>1</sup>

When a taxpayer, with the intention of making a gift, purchases an item of value from a qualified charity, the excess of the payment over the value received is a charitable contribution. As a result, taxpayers who pay the additional fee are entitled to treat as a charitable contribution the difference between the amounts paid for the Arts Council license plate and a regular California license plate.<sup>2</sup>

This letter is provided for informational purposes only and may not be construed as “written advice from the Board” within the meaning of Revenue and Taxation Code section 21012.

Please let me know if I can be of any further assistance.

Very truly yours,

Michael D. Vigil  
Senior Tax Counsel

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<sup>1</sup> See <http://www.cac.ca.gov/licenseplate/index.php>.

<sup>2</sup> This same conclusion is applicable to registrants that purchase environmental license plates as well as other similarly situated registrants when purchasing other special license plates that support other charitable purposes. See California Vehicle Code (“CVC”) §§ 5060, et seq., and 5100, et seq. See also Internal Revenue Service Information 2008-0004 at <http://www.irs.gov/pub/irs-wd/08-0004.pdf>.