Brinley v. Commissioner, 82 T. C. 932 (1984)

A charitable contribution deduction is not allowed for payments to a family member or third party for charitable services unless the funds are under the control of the charitable organization.

Summary

The Brinleys sought a charitable deduction for payments made to support their son's missionary work for the Church of Jesus Christ of Latter-Day Saints. The Tax Court reaffirmed its prior decision, denying the deduction because the payments were made directly to the son and a travel agent, not to the church, failing to meet the control requirement. The court distinguished between unreimbursed expenses incurred by the taxpayer themselves and contributions to others, emphasizing that the church must control donated funds for a valid deduction.

Facts

In 1977, Eldon and Mary Alice Brinley paid $942 to a church-designated travel agent for their son's travel to his missionary service site and directly to their son for his living expenses while serving as a missionary for the Church of Jesus Christ of Latter-Day Saints. The Brinleys claimed these payments as a charitable contribution deduction on their federal income tax return for that year.

Procedural History

The Tax Court initially denied the Brinleys' deduction in *Brinley v. Commissioner, T. C. Memo. 1983-408*. The Brinleys filed a motion for reconsideration citing the Tenth Circuit's decision in *White v. United States*, which was factually similar but allowed the deduction. The Tax Court granted the motion but reaffirmed its original decision in a supplemental opinion, holding that the control requirement was not met.

Issue(s)

1. Whether the Brinleys are entitled to a charitable contribution deduction under section 170 for payments made directly to their son and a travel agent for his missionary service?

Holding

1. No, because the payments were not made to or under the control of the Church of Jesus Christ of Latter-Day Saints, failing to meet the control requirement necessary for a charitable contribution deduction.

Court's Reasoning

The court distinguished between unreimbursed expenses incurred by the taxpayer

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themselves and contributions to others. For unreimbursed expenses, the primary beneficiary test is applied, while for contributions, the intent to benefit the charity test, evidenced by the charity's control over the funds, is crucial. The court held that the Brinleys' payments did not meet the control requirement because they were made directly to their son and the travel agent, not to an official of the church. The court rejected the Tenth Circuit's approach in *White v. United States*, which allowed a similar deduction, emphasizing that the regulation allowing deductions for unreimbursed expenses does not extend to payments made for another's services. The court also noted that allowing such deductions could result in double deductions and administrative burdens for the IRS.

Practical Implications

This decision clarifies that for charitable contribution deductions, the funds must be under the direct control of the charitable organization, not merely used for its purposes. Taxpayers cannot claim deductions for payments made to family members or third parties for charitable services unless those payments are first given to the charity. This ruling impacts how similar cases involving missionary or volunteer work should be analyzed, emphasizing the importance of the control requirement. It also affects legal practice by requiring attorneys to ensure that charitable contributions are properly directed through the charity to avoid disallowed deductions. The decision may influence how religious and charitable organizations structure their fundraising and support systems for volunteers. Subsequent cases, such as *Winn v. Commissioner*, have been distinguished on this basis, reinforcing the control requirement's centrality in charitable contribution cases.

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