



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

February 23, 2024

CC:ITA:B08:[REDACTED]
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The Honorable Susan M. Collins
United States Senate
Washington, DC 20510

Attention: [REDACTED]

Dear Senator Collins:

I am responding to your December 20, 2023, letter to Commissioner Werfel. You asked about the tax treatment of special funds established for those impacted by the October 25, 2023, shooting in [REDACTED].

I offer my condolences to the victims of this tragedy and their families. I also support the many generous Americans offering them relief.

Generally, individuals must pay federal tax on all income, from whatever source derived. However, individual recipients of gifts are generally not subject to federal income tax on the value of the gift. A gift generally is a transfer made from detached and disinterested generosity.

Payments individuals receive from a charitable organization or from members of the public in response to a disaster or emergency hardship are considered gifts, and are excluded from those individuals' gross income under section 102 of the Internal Revenue Code.

Your constituents can find more information in IRS Publication 3833, Disaster Relief, available online at www.irs.gov.

I hope this information is helpful. If you have any questions, please call [REDACTED] or [REDACTED] at [REDACTED].

Sincerely,

Scott W. Vance
Associate Chief Counsel
(Income Tax & Accounting)