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Tangible personal property is a physical object or objects, such as a car, a chair, or a coin collection.

A charitable gift of tangible personal property is deductible up to its fair market value only if the charity puts the gift to a use that is related to the organization's charitable purpose. Otherwise, the gift is deductible only up to the donor's cost basis.

For example, a gift of artwork to an art museum that will hang it in its galleries clearly qualifies as a gift for a related use. The connection between the property and the charitable recipient does not have to so obvious, however. For example, the IRS has ruled that a gift of porcelain art objects to a retirement home that put them on display was related to the retirement home's charitable purpose because the art objects enhanced the living environment for the residents. On the other hand, a gift of artwork to a blood bank that then sells it immediately would not be a gift for a related use.

A gift of tangible personal property to fund a charitable remainder trust or pooled income fund is never for a related use because the trust or fund itself does not have its own charitable purpose. In addition, because it is a gift of a future interest, the donor may take a deduction only when the trust or fund sells the assets. For these and other reasons, tangible personal property is rarely used to fund these types of planned gift.

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