



TAX DEDUCTIONS FOR VIP BENEFITS & MISSED PERFORMANCES

Ever wondered if you can claim a ticket or event as “tax deductible”? Only nonprofit organizations with 501(c)(3) status can receive tax-deductible contributions, and by IRS definition, charitable contributions represent gifts given **without reciprocity**. Therefore, payment for a good or service in exchange for its **fair market value** is not tax-deductible.

Tickets and VIP Packages:

- **Regular Tickets:** The list price of a regular ticket is considered fair market value for that seat, so is never tax-deductible.
- **VIP Packages:** If you are offering a VIP ticket that is marked significantly above market value (e.g. highest price tier), a portion of the ticket price may qualify as tax deductible as part of a **quid pro quo donation**. However, food and/or goods (e.g., gift bag) included as part of the VIP package are also not tax-deductible.
- **Disclosure statement:** A disclosure statement outlines and informs a donor of the contribution amount in excess of the **good faith estimate** of fair market value for the goods and services provided. Any disclosure statement requested by VIP ticket buyers must be handled by the Licensee, if Licensee so chooses, in accordance with quid pro quo contribution tax laws. The Ford Theatres will not handle any disclosure statements on Licensee’s behalf.
 - **Calculation Example:** If a VIP ticket package is priced at \$150, but includes a seat valued at \$75 (based on seats in that price tier) and a \$25-per-person dinner, only \$50 would qualify as tax-deductible. Licensing fees would also need to be deducted (see below).
- **Licensing fee:** At the Ford Theatres, Licensee’s licensing fee should also be deducted from the quid pro quo contribution remainder, as Licensee’s organization does not keep this percentage of the revenue and therefore cannot claim it as a donation (for example, a 20% licensing fee turns a \$50 remainder into a \$40 donation value).
- **IRS Policies:** For more information regarding these laws and on composing a disclosure statement, please review the IRS policies on Quid Pro Quo Charitable Contributions: <https://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Charitable-Contributions-Quid-Pro-Quo-Contributions>

Missed Performances:

- **Ford policy:** The Ford maintains a no refunds or exchanges policy.
- **Disclosure statement:** In the instance that a patron is unable to attend a purchased event and this can be confirmed, the patron may request that the value of the ticket be considered a donation to Licensee’s organization. If the box office receives this request, and Licensee’s organization is a 501(c)(3), the patron’s information will be provided and Licensee will have the option to provide a disclosure statement per the instructions above.

QUESTIONS? Please contact Ann Jensen, Box Office Manager (ajensen@ford.lacounty.gov, 323.856.5788).