Rev. Rul. 69-63, 1969-1 CB 63, IRC Sec(s). 170

A taxpayer created an irrevocable trust and transferred to the trustee a collection of rare coins and 1,000*x* dollars in cash. It was the taxpayer's intention that the rare coin collection be placed on exhibit for viewing by the public with a fee charged therefor. Under the terms of the trust agreement the trustee is to pay the income earned from the trust property to the taxpayer for life with the remainder to be distributed to a specific charitable organization of the type described in section 170(c) of the Internal Revenue Code of 1954.

Section 170(f) of the Code provides, in part, that payment of a charitable contribution that consists of a future interest in tangible personal property shall be treated as made only when all intervening interests in, and rights to the actual possession or enjoyment of, the property have expired or are held by persons other than the taxpayer or those standing in a relationship to the taxpayer described in section 267(b) of the Code.

Held, since the collection of rare coins was not held primarily as a medium of exchange but instead has acquired added value as collector's items, the collection is tangible personal property for purposes of section 170(f) of the Code and a charitable contribution was not made at the time of the transfer to the trustee. On the other hand, the 1,000*x* dollars in cash is not tangible personal property for purposes of section 170(f) of the Code and the present value of the remainder interest in this cash is deductible as a charitable contribution in the year of transfer to the trustee.