



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

OFFICE OF
CHIEF COUNSEL

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The Honorable James L. Oberstar
U. S. House of Representatives
Washington, DC 20515

Dear Mr. Oberstar:

This letter responds to your inquiry dated December 3, 2007, on behalf of your constituent, . contacted you about annual payments he makes in connection with Minnesota Critical Habitat vehicle license plates.

According to the Minnesota Department of Natural Resources website, a \$30 per year fee is charged for a Critical Habitat license plate. The \$30 fee is in addition to the regular costs for a Minnesota license plate. The Department of Natural Resources uses the \$30 payment "to buy and manage important natural habitats which are preserved as public lands and are open to compatible public use, like hunting and hiking."
[Http://www.dnr.state.mn.us/features/plates/index.html](http://www.dnr.state.mn.us/features/plates/index.html) (last accessed Jan. 18, 2008).

When a taxpayer, with the intention of making a gift, purchases an item of value from a qualified charity, the excess of the payment over the value received is a charitable contribution. Accordingly, taxpayers who pay the additional fee are entitled to treat as a charitable contribution the difference between the amount paid for the Critical Habitat license plate and a regular Minnesota license plate.

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

Sincerely,

John P. Moriarty
Chief, Branch 1
Office of Associate Chief Counsel
(Income Tax & Accounting)