

## Tzedaka Seminar - Part 2:

### D. Deductions from Ma'aser:

1. You may deduct losses and expenses that are directly associated with your income - net profits, which include:
  - A. **Extra** cost spent on food spent by an **average** person on business trips
  - B. **Extra** cost spent on clothing spent by an **average** person for work.
  - C. Same for the cost of a car and all related expenses.
  - D. Travelling expenses
  - E. Cost of a babysitter / Day Care during work.
  - F. Paying employees is a business expense
  - G. Business insurance
  - H. Theft or loss in business.
2. Combining business and personal expenses depends on what and why you are spending it on. (eg travelling for business and pleasure.)
3. Taxes & mortgage interest payments for your business and rental properties (not on the actual principal payments which form equity)
4. Depreciation may be deducted as a business expense, using consistent accounting practices.
5. Expense for courses or seminars to enhance your earning power is business expense.
6. Going to school to earn a degree with the intention of using it to earn a livelihood would be an expense that can be applied once one is earning money (student loans)
7. Money spent on potential business deals that ultimately fell through are business expenses.
8. One can wait until the end of his accounting year and combine all profits and losses from that year and separate Ma'aser from the total.
9. The accounting year can either be a Rosh Hashanah cut-off date, or any day that is convenient for you ( eg. Jan. 1 - Dec. 31)
10. Therefore, one should subscribe to the custom of separating Ma'aser based on one's projected earnings, so that at the end of the year when an accurate accounting of his total income can be made, he may adjust te Ma'aser accordingly.
11. If one overestimated Ma'aser in any given year, he may then deduct the extra amount from the following year's Ma'aser obligation.
12. Government taxes on earnings, whether withheld at source or paid afterwards, are deductible. Such as...
  - A. Income Tax
  - B. Social Security / Old Age Pension Tax (but you must give Ma'aser when you receive benefits.)
  - C. Sales taxes on items purchased for business
  - D. Real Estate taxes paid for homes purchased for investment purposes.
13. Sales tax for personal use are not deductible & real estate tax on a personal residence may not be deducted. (exceptions can be made for those under financial hardship.)
14. One who benefits by giving Tzedaka because he ends up paying less taxes, is not obliged to give that profit to Tzedaka.
15. One is not allowed to deduct household expenses such as rent, utilities, food, clothing, and other basic necessities. (unless he does not have enough money to give Tzedaka and provide himself with basic necessities)
16. When withdrawing money from an interest bearing account in order to lend money to a poor person , you may deduct the "loss" from your Maaser funds, if it entails a substantial loss.

**E. Priority List of People:**

1. The Donor Himself
2. Wife & small children
3. Parents
  - It is preferable to support parents without using ma'aser money if one is able to.
  - You may give all your Ma'aser money to them if they need it. (And you have no other money available)
4. Grandparents
  - Father's parents take precedence over mothers' parents.
  - Grandfather precedes grandmother
5. Young Adult Children
6. Grandchildren
7. Siblings
8. Uncles & Aunts - father's side
9. Uncles & Aunts - mother's side
10. Cousins - father's side
11. Cousins - mother's side
12. Remaining relatives
13. Spouse's relatives
14. Divorced spouse
15. Close friends
16. Neighbors
17. People from the same city
18. People living in Yerushalayim
19. People living in the rest of Eretz Yisroel
20. People living in cities outside of Eretz Yisroel
  - Setting aside money to assist a relative who plans to marry and study full time, can be done if:
    - A. His relative must be eligible to accept Maaser funds at the time they are given to him
    - B. The relative must presently be of marriageable age
    - C. One must separate and remove the Ma'aser money from one's possession into a separate account.

**F. Sub - categories:**

1. Pikuach Nefesh (saving an endangered life) - takes priority no matter how far down the priority list the person is.
2. Aside from Pikuach Nefeash, a relative's non-compelling needs takes precedence over others' more compelling needs.
3. For non-relatives, the priority list is followed when the recipients are in equal need. (Food, clothing)
4. For non-relatives, the one with a more pressing need takes priority
5. A woman takes precedence over a man when in the same category of needs.
6. A Talmid Chacham takes priority over those that are not.
7. All other things being equal, we follow the order of Kohen, Levi, and Yisroel.

**G. Additional Tzedaka Priorities:**

1. Pikuach Nefesh
2. Support the Study of Torah
3. Medical needs of the poor
4. Building or maintenance of a Shul
5. Facilitating the marriage of orphan girls
6. All other needs of the poor

**H. Amount to Give in Each Category:**

1. Generally speaking, do not give more than 1/2 of all your Ma'aser money to relatives, and do not give all of it to one relative, with the following exceptions:
  - A. Parents
  - B. A relative in terrible need for a specific and limited time
2. Diversify your Tzedakah funds to as many poor people as possible, rather than giving to just one.

**I. Additional Uses of Ma'aser Money:**

1. One may not use Ma'aser funds to fulfill a Mitzvah in which one is obliged ( eg Tefilin, Esrog ), even Rabbinic obligations (eg Matanos L'evyonim)
2. You may use Ma'aser funds for Aliyos and Mi She'beirach.
3. You may not use Ma'aser funds to perform Kaparos.
4. You may not use Ma'aser funds for your private Seforim you purchase, but may use the funds to purchase for institutional use.
5. One may not use Ma'aser funds for supporting any of your children who are living at home until they become self-supporting. (This age can range between 17 years of age until marriage )
6. Generally speaking, one may not use Ma'aser money to pay for tuition costs and for tutoring.
7. One may use Ma'aser funds to defray the costs of raising their grandchildren.
8. One may use Ma'aser funds to raise orphans.
9. One may use Ma'aser funds for poor Talmidei Chachomim so they will learn in the merit to heal sick people or elevate departed souls.
10. One may use Ma'aser funds to give a wedding gift to a poor couple.
11. One is not permitted to use Ma'aser funds for the cost of membership in a Shul or High Holiday seats.
12. One may use Ma'aser funds for an optional building fund.
13. One may use Ma'aser funds to purchase raffle tickets from a charitable organization, where an unlimited number of tickets are being sold over a prolonged period of time. Ma'aser given from monetary winnings should be given to that charitable organization.
14. One may use Ma'aser funds to pay for a Tzedaka organization dinner, minus the actual cost of the dinner.
15. One may use Ma'aser funds for an ad in an organization's journal.
16. One may use Ma'aser funds for the building of a Mikveh, but not for Mikveh fees.
17. One may not use Ma'aser funds to pay Shadchanus.
18. One should not give Tzedaka to organizations which are known to disburse money to places that do not follow the dictates of Torah.
19. One may give Tzedaka to non-religious Jews and to Jews who are lacking in midos, who have character flaws.
20. One is permitted to give Tzedaka to non-Jewish charities in order to facilitate peaceful coexistence between Jews and non-Jews.