

# Is Cash Gifting Legal?

This is probably the number one question that pops up when people start to see the lucrative potential with this kind of activity, and it's certainly the first thing that I wanted to know too. After all, I have no interest in getting into any type of legal hot water, and I'm sure you don't either, so here's what I found out.

But first, let me ask you, do you live in a country where you can give money to a friend or relative if you wanted to? Does your country allow you to receive money as a holiday or birthday or graduation gift? Did you receive cash at your wedding from friends and family? If you did...**YOU** have participated in gifting.

In researching this activity, I learned that both American and Canadian citizens and other citizens around the world have the right to gift property, cash and other assets. The U.S. gifting rules are found in the [IRS TAX CODE, Title 26, Sections 2501-2504 and 2511](#).

And just know that those rules are focused on the tax liability of cash gifts. You should consult your CPA or Tax attorney for a full and comprehensive review and advice about how to treat cash generated from gifts in your specific tax situation.

By reading the law you find that one or more individuals can give a gift to another individual of up to \$17,000 each per calendar year without any tax liability to either the giver or receiver of the gift, because the giver is using "after tax" cash to make the gift. In other words, the tax on that money has already been paid.

Again, for more complete information and advice on the tax rules regarding gifts, consult with legal and accounting professionals. This site is **NOT** written by legal experts or accounting experts and in no way should this information be taken as the delivery of legal or accounting advice.

Properly structured cash gifting activities are **NOT PYRAMIDAL** in structure.

There is no "fat cat" at the top benefiting from others. A person starting today can easily generate more money than some other person who has been in for more than a year.

**There is no pyramid.** It's strictly between **YOU** and the person who you invite to learn about your cash gifting activity and sharing club. If they like the concept, they may agree to give you a cash gift. Direct. Person to person. No pyramid anywhere.

**In the past**, most cash gifting programs were structured with an attempt to copy or "clone" the current multi-level marketing type of compensation plans. There were weird "cycling" systems where the new "gifter" would be required to invite a number of new enrollees, **BEFORE** they were "ranked" and able to receive any gifts themselves.

Other programs were structured using "Matrix", "Binary" or other complicated form of "multi- level marketing" style of compensation programming. **BY DEFINITION THESE TYPES OF STRUCTURES ARE IMPROPER** to cash gifting and potentially illegal.

There is a big difference between that old type of cash gifting activity structure, and the current properly structured activities.

**In today's properly structured activities**, there are no ranks, or cycling or positions. You as a member of a private sharing club invite others to learn about the activity. When a person you invite decides to join, they gift you directly. No fat cats, no middlemen, nobody else ever touches the gift. It goes directly from the giver of the gift, to the receiver of the gift.

The fact that people are using websites, e-mail and other forms of inviting and communication is just a fact of the leveraging power of communication that you have available these days. Instead of having to personally explain the concept, process and details to people one by one, in person (and potentially not explaining it correctly) we now have the ability to communicate to thousands, and in fact, millions of others around the globe with the use of web sites, recorded information calls, and audio/videos.

This is the **MAIN** fact that has made internet cash gifting programs so extremely popular and effective in recent years. We can invite and communicate with people around the globe for almost zero cost with the internet, chat programs, forums, social networking, e-mail etc.

So giving a gift of cash to someone, be it a friend, family member or a stranger is legal according to IRS code. Again, there's no specific nation-wide law that I've been able to find to say that cash gifting is not legal.

Now, that being said, it's important to note that not all cash gifting programs may be legal in their structure. Certainly there are some that may not be. Unfortunately, there are still some "old school" cash gifting programs out there (mostly offline) that weren't structured properly in order to sustain their efforts for any considerable length of time, and some of them use an illegal pyramidal type of structure.

Consequently, many of these types of mostly offline programs in the past were closed by the feds because of this illegal "ever-widening base" pyramid structure, which in turn gave cash gifting a bad reputation.

However, in recent years, with the creation and development of the linear "**1Up**" structure, things have changed and more and more people are benefiting through the use of these types of programs than with any other program in the world.

With a 1Up type of cash gifting program, there are no fancy sounding "positions" to sell, no captain at the top, and there's no ever-widening base to the structure (as in a typical illegal pyramid, where only those at the top profit, while those at the bottom never reach the top and invariably lose their money).

Churches, civic groups and people from around the world have participated in organized gifting for hundreds of years. Laws state that it is legal for individuals to exchange gifts. In the United States we have the Preamble, the Constitution and the Bill of Rights to protect a private citizen's rights to earn, pay taxes and give away property and cash as long as it is done according to the laws and codes of this country.

**This is a private activity and by invitation only.**

The Gifting Statement and Non-Solicitation forms we sign when sending our gifts are binding between two individuals.

Lawyers were brought in to ensure the wording and content would make this activity 100% legal ensuring the longevity of the program.

**This document was created for informational purposes only, and to explain the legalities of cash gifting.**

**Please get back to the person who gave you this document, and take action so you can start a better life!**