

# CARES Act 2020

(Coronavirus Aid, Relief, and Economic Security)

## ***Charitable Giving Temporary Changes for 2020***

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**An important component of the temporary legislation passed on March 27, 2020, the CARES Act, is intended to enhance charitable giving.**

### **Charitable Contributions for Non-Itemizers Who Claim The Standard Deduction - Individual & Joint**

The CARES Act created a temporary above-the-line charitable tax deduction for cash donations of \$300 per individual, or potentially \$600 for joint filers. This deduction is only available for non-itemizers who claim the standard deduction on their 2020 tax returns.

### **Charitable Contribution Limits For Individuals**

The charitable deduction limit for cash contributions by individuals in 2020 has been suspended, allowing a donor to deduct cash charitable contributions up to 100% of adjusted gross income (AGI). The prior limitation was 60% of AGI. Gifts to donor-advised funds are excluded. The five-year carryover applies to contributions in excess of AGI. Meaning taxpayers who itemize may deduct up to 100% of their AGI for qualifying charitable gifts made in 2020.

The 100% of AGI limit is not automatic; you must elect to make the deduction on your 2020 tax return, so consult with your advisers before filing your return.

### **Corporations Charitable Deduction Increase**

The charitable deduction limit for cash contributions by corporations in 2020 has been increased to 25% of taxable income, up from 10% in prior years.

The information on this page is intended to provide general guidance on charitable planned giving. It is not intended as legal or tax advice and should not be relied upon as such. For advice or assistance with your particular situation, consult your financial, legal, and tax advisors.

Please contact Kate Dykes at 513-424-2417, or [katedykes@middletownartscenter.com](mailto:katedykes@middletownartscenter.com), for any questions regarding how the MAC will steward your charitable gift and serve your philanthropic intentions.