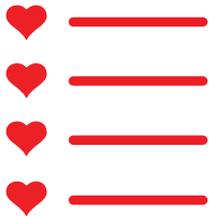


# How the **CARES Act** Impacts Your Charitable Giving This Year

Earlier this year, the President signed into law the Coronavirus Aid Relief and Economic Securities Act (CARES) in response to COVID-19 and the subsequent economic downturn. By expanding charitable giving tax incentives, Congress acknowledged and endorsed the critical work of non-profits. The CARES Act includes significant tax relief and charitable giving benefits for the 2020 tax year.

## Raising the Charitable Giving Deduction Cap



If you itemize charitable deductions, the CARES Act allows you to deduct much greater amounts of your cash contributions. The adjusted gross income (AGI) limit for cash contributions was increased for individual donors. You can now elect to deduct up to 100% of your AGI (increased from 60%).

## Universal Deduction for Donations Up to \$300



For those who do not itemize their charitable giving, the CARES Act will allow these individual taxpayers to deduct cash donations to charity of up to \$300 on their 2020 federal tax return, even though they take the standard deduction. Married-filing-jointly taxpayers will get an “above-the-line” deduction of up to \$600. This new deduction will reduce your adjusted gross income (AGI) and reduce your taxable income.

## What about IRA Qualified Charitable Distributions (QCD)?



Individuals over 70 ½ years old can donate up to \$100,000 from an IRA directly to a qualified charity through a qualified charitable distribution (QCD). In doing this you can avoid taxable income.



*\*The tax information provided is general and educational in nature and should not be considered as legal or tax advice. The Diocese of Wheeling-Charleston, including our schools and parishes, do not provide legal or tax advice. Always consult an attorney or tax professional regarding your specific legal or tax situation.*