



Coronavirus Aid, Relief and Economic Security Act Implications for Charitable Giving in 2020

The CARES Act includes several provisions to encourage charitable giving. Donors should consult with their tax and legal advisors to determine what will be beneficial for their specific charitable giving in the 2020 tax year.

- **Universal Charitable Deduction**

- **Individuals who don't itemize** can deduct up to \$300 on their 2020 income tax return.
- *Subtracted from your income before the adjusted gross income is calculated.*
- You must claim the standard deduction to qualify.
- Only contributions made in 2020 are eligible.
- Contributions must be made in cash to a public charity. Gifts to donor advised funds and supporting organizations do not qualify.

- **Cash Contributions and Adjusted Gross Income (AGI)**

- *Raises the annual limit on CASH gifts **for those who itemize**, from 60% to 100% of AGI for 2020.*
- *For corporations, the annual limit raises from 10% to 25% of taxable income for 2020.*
- Only contributions made in 2020 qualify, so contributions carried over from a previous year don't qualify.

- **IRA Required Minimum Distributions (RMD)**

- *CARES act waives requirement to take required minimum distributions in 2020. This is temporary, just for 2020.*
- This is good news for retirees who may have seen their portfolios decrease in value.
- **Qualified Charitable Distributions (QCD)** are still available to those IRA owners who are 70 1/2 and older.

For more information please contact

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"We Never Give Up on a Child"

The Baby Fold is a non-profit 501(c)(3) organization and all contributions are tax deductible as allowed by law.