

Three Charitable Giving Provisions of the CARES Act (March 27, 2020)

Among its benefits for Americans, the Coronavirus Aid, Relief and Economic Security (CARES) Act includes several provisions concerning **charitable giving**. This document is a condensed version of information distributed by the [Episcopal Church Foundation](#). The three provisions that follow might provide you with additional incentive for giving to Bruton Parish:

1. *A new charitable deduction for taxpayers who do not itemize.* Beginning in 2020, individuals can deduct \$300.00 in charitable contributions from their gross income even if they do not itemize their deductions. Donations must be made in cash. Gifts of appreciated securities, and gifts to a donor advised fund or supporting organization do not qualify.
2. *No cap on charitable deductions for taxpayers who do itemize.* Usually, taxpayers who itemize can deduct cash contributions up to 60% of their adjusted gross income. For 2020, that cap is lifted; donors contributing cash to charity may deduct up to 100% of their income. The result is a significant tax saving for anyone able to contribute larger amounts. Again, this is for gifts of cash only, made directly to the charity, not to donor advised funds or supporting organizations. For donors with unusual income in 2020, this may be useful-- to be able to offset it with this opportunity.
3. *No required minimum distributions, but qualified charitable distributions still possible.* The CARES Act waived required minimum distributions (RMDs) from many retirement plans in 2020. In the past, some IRA owners have used their RMDs for tax-advantaged charitable gifts, by making a qualified charitable distribution (QCD) directly to charity. Under the CARES Act, donors who are 70.5 years of age or older may still contribute up to \$100,000 directly to a charity without paying tax on the distribution. This remains a beneficial way to make a gift to Bruton Parish.

The CARES Act is a new law. The three provisions summarized in this memo might help your decision- making about giving to Bruton Parish in 2020. To discuss, please email Marty Easton, Development Director, at measton@brutonparish.org or phone 757-345-2256, and also consult with your professional advisor.