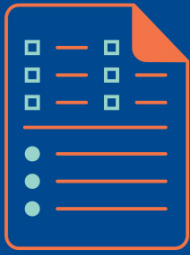


ABOVE THE LINE CHARITABLE DEDUCTION



How Does it Affect You?

Above the line means taxpayers receive the deduction without the need to itemize.

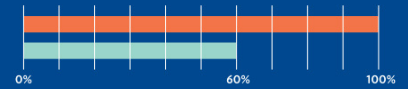


How Much Can You Deduct?

When filing a 1040 you may deduct cash gifts* up to \$300 from your taxable income.

What is the Contribution Limit?

The income limit for cash contributions to public charities has increased to 100% of income from the current 60% limit.



These changes are a result of the 2020 CARES Act to incentivize charitable giving for all Americans.
*Cash gifts made to donor advised funds are excluded from this benefit.

Did you know the Coronavirus Aid, Relief and Economic Security (CARES) Act provides increased tax incentives for charitable giving, for both individuals and corporations?

As you consider your year-end contributions, note the following CARES Act changes to charitable giving during 2020:

- An additional "above the line" deduction, up to \$300 for those who don't itemize. This deduction is capped at \$300 per tax return whether you're single or married.
- For taxpayers who itemize their deductions, the adjusted gross income (AGI) limit for charitable gifts of cash was increased to 100 percent (from 60 percent).
- For corporations, the adjusted gross income (AGI) limit increased to 20 percent (from 10 percent) of the business' 2020 taxable income.
- Taxpayers can make donations via cash, check or credit card by December 31, 2020.
- Recordkeeping rules still apply for charitable gift deductions, such as receipts or donation letters.
- The deductions above are limited to donations to 501(c)3 public charities.

ROLLOVER YOUR IRA

The CARES Act did not change the rules around the Qualified Charitable Distribution (QCD). Individuals over 70 1/2 years old may donate up to \$100,000 in IRA assets directly to charity annually (although not to a donor advised fund), without taking the distribution into taxable income. Those between the ages of 59 1/2 and 70 1/2 may give to charity after they have received their annual distribution. This is an excellent strategy for itemizers. Contact your investment advisor or tax professional to see if this makes sense for you.

To learn about charitable giving opportunities available through CFOC, visit www.oceanafoundation.org, or call us at 231-869-3377. If you have yet to donate, or have any questions, we're here to help!

The Community Foundation for Oceana County does not provide legal, financial, or tax advice. Information in our digital and print communications is a service to provide general information about charitable giving. Please consult your financial or legal advisor.



community foundation™

Oceana County