CARES Act brings changes to incentive charitable giving

As part of the CARES Act, changes to tax benefits were made to incentivize charitable giving.

**$300 Cash Contribution Deduction.** Beginning in 2020 and each year thereafter (this is not limited to only 2020), individuals can take a $300 above-the-line deduction for cash contributions to charities, regardless of whether or not the individual itemizes deductions.

**Enhanced Charitable Contribution Limits for Individuals and Corporations.** Generally, individuals that itemize deductions are limited with respect to the amount of deduction available for charitable contributions made during the year. These limits are typically determined by a percentage of the individual’s adjusted gross income (AGI). Corporations are subject to similar restrictions limited by the corporation’s taxable income. As a result of the CARES Act, for individuals that itemize, the 60% of adjusted gross income (AGI) limit that previously applied for qualifying cash contributions to public charities will not apply for 2020. Thus, individuals will be eligible for a deduction up to 100% of AGI for 2020 for qualifying cash contributions. For corporations, the 10% limit on deductions for charitable contributions has been increased to 25% of taxable income.

The new charitable giving incentives under the CARES Act will only apply to cash donations, not donations of stock, real estate or other non-cash types of property. In addition, the contributions must be to public charities, like Community Options Inc. – not private foundations or donor-advised funds.

**For additional clarification, we suggest you consult with your accountant.** Please make all contributions payable to Community Options Inc. We are a 501 (c) (3) nonprofit corporation.

Sincerely,

Robert Stack

www.comop.org
President & CEO