

2020 CARES ACT GIVING INFORMATION

The **CARES ACT** includes provisions to incentivize individuals and corporations to make cash contributions to public charities, including Trinity, in 2020.

1. **Above-the-line deduction.** Under prior rules, individuals who did not itemize their deductions on their income tax returns could not take a charitable deduction for cash contributions to qualified charities. The CARES Act adds a new above-the-line deduction that allows ALL individuals a \$300 deduction for cash contributions to a qualified charity.
2. **Relaxed limitations on deductions for individuals.** For individuals who choose to itemize their deductions, the CARES Act increases the allowable deduction for cash contributions to a qualified charitable organization to 100% of the individual's adjusted gross income in 2020. If the contribution exceeds the limitation, the individual can still carry forward and utilize the excess amount over the following five years.
3. **Relaxed limitations on deductions for corporations.** For corporate taxpayers, the CARES Act increases the limitation for cash contributions to qualified charities to 25% of taxable income in 2020. The corporation can also carry forward and utilize any excess amount over the following five years.

Additional tax planning opportunities:

1. **Contribution of publicly traded stock.** Individuals who donate publicly traded stock, if held longer than one year, can deduct the fair market value of the stock as a charitable contribution. Additionally, if the publicly traded stock has appreciated in value, individuals do not need to report the gain as income on their tax return.
2. **Qualified Charitable Distribution from IRAs.** Individuals who are 70 ½ may exclude up to \$100,000 each year of otherwise taxable IRA distributions if the distribution is paid directly from the IRA to a qualified charity.

The above is general guidance on potential tax saving opportunities. Please consult your tax attorney or CPA about how the above can apply to your personal situation.