CARES Act Encourages Charitable Giving in 2020
Summary by Kari Isaacson, Executive Director

From an article by Bill Laskin of PG Calc 3.27.2020

- **Outright Gifts of Cash by Individuals and Families**
  Donors may claim up to 100% of their Adjusted Gross Income (AGI) for 2020 tax year instead of 60% for gifts made to “public charities”. This increase does not apply to gifts to donor advised funds or to organizations called Supporting Organizations.

- **For Non-Itemizers** – 90% of American taxpayers do not itemize deductions but take the standard deduction. For the tax year 2020 now they may take a charitable deduction. They may claim a deduction of charitable gifts for the year 2020 of up to $300 for an individual and up to $600 for a couple (total gifts).

- **For Corporations**: Charitable deduction for cash gifts by corporations increased to 25% from 10% of taxable income if these gifts are made to “50% charities” (or public charities). The 10% limit still applies for gifts that are other than cash. If the corporation’s charitable gifts exceed the 25% limit, then the excess may be carried forward for up to 5 years.

- **Contributions of Food Inventory** by any Trade or Business increased to 25% from 15%
  CARES Act increases the amount a trade or business may claim as a charitable gift for gifts of food inventory to 25% from 15% for tax year 2020. This should result in more donations of food inventory.

As always, please consult your tax advisor for more detail about these changes and how they affect your specific situation.