



Your Giving Matters ... Now More Than Ever.

Information on how the CARES Act can improve your charitable giving.

You've likely heard about the CARES Act — Coronavirus Aid, Relief, and Economic Security Act — passed into law in March 2020. It's the largest economic relief bill in U.S. history and includes a variety of provisions to help individuals, families, and small businesses obtain economic relief. A couple of those provisions impact charitable giving. Just how depends on whether you itemize your deductions or not.

CARES Act details for Non-Itemizers and Itemizers:

For Non-Itemizers

If you take the standard deduction when you file your federal taxes, the CARES Act gives you a \$300 above-the-line deduction for cash donations. What's that mean? Your donation of up to \$300 will be deducted from your adjusted gross income (AGI). This happens before you take the standard deduction. But, because this deduction is limited to cash contributions, gifts to a donor advised fund and complex gifts of stock or other assets do not qualify for this deduction.

For Itemizers

For folks who itemize their deductions, you're normally limited to deducting 60% of your AGI. The CARES Act waives that limit for cash donations. While there's still a deduction limit of 100% of your AGI for the 2020 tax year, any cash donations above and beyond that may be carried over as deductions for up to five years. Because this exception is only for cash donations, there remain certain limits on deductions for other gifts, like stock or personal property. And, there are still deduction limits for contributions to a donor advised fund.

If you likely won't itemize your tax deductions for 2020, consider a cash gift to the Catholic Foundation of Southern Minnesota. Please visit us at catholicfsmn.org and click on the donate button to see a variety of funds in which you can support.

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