



THE NATIONAL
WWI MUSEUM
AND MEMORIAL

THE CARES ACT AND END-OF-YEAR TAX IMPLICATIONS

As 2020 approaches its eventful close, make sure you understand the timesensitive opportunities afforded by the Coronavirus Aid, Relief and Economic Security (CARES) Act.

The CARES Act's provisions for above-the-line contributions are slated to end this year:

- Individuals who itemize **can deduct cash contributions up to 100% of their 2020 Adjusted Gross Income (AGI)**. Checks and credit card payments are included. This is an increase from the previous 60% limit.
- **Corporations may deduct up to 25% of their taxable income** for cash contributions to 501(c)3 public nonprofits. This is an increase from the previous 10% limit.
- Taxpayers may donate more than 100% of AGI in 2020. **Cash contributions above 100% may be carried forward five years**, but the 60% annual limitation will return on January 1, 2021, unless extended COVID-19 relief is granted.
- A deduction is available for up to **\$300 per person even if individuals do not itemize their deductions for 2020 charitable contributions** and take the standard deduction; it is \$600 per married couple. This above-the-line adjustment reduces the AGI and, therefore, the amount of taxable income.
- Deductions for **food donations are 25% of AGI** in 2020. This is an increase from the previous 15% limit.
- Increased limits do not apply to contributions to private foundations, donor-advised funds or gifts of appreciated stock.

Consult your tax, legal and accounting advisors before initiating any transaction