

There are many creative ways to structure a gift that will allow donors to see the results during their lifetime, while deferring a portion of the gift for the future. In 2020, there are some unique opportunities that enable tax benefits for larger gifts.

Cash gifts

The CARES Act allows individuals to deduct 100% of their Adjusted Gross Income (AGI) for 2020, though they can also carry-forward over the next five years. Corporations can deduct up to 25% of taxable income.

Temporary Suspension of Limits on Charitable Contributions

In most cases, the amount of charitable cash contributions taxpayers can deduct on Schedule A as an itemized deduction is limited to a percentage (usually 60 percent) of the taxpayer's adjusted gross income (AGI). This year, individuals may deduct qualified contributions of up to 100 percent of their adjusted gross income. A corporation may deduct qualified contributions of up to 25 percent of its taxable income. Contributions that exceed that amount can carry over to the next tax year. To qualify, the contribution must be:

- a cash contribution;
- made to a qualifying organization;
- made during the calendar year 2020

Gifts of Stock

Contributions of non-cash property do not qualify for this relief. However, taxpayers may still claim non-cash contributions as a deduction, subject to the normal limits. ***The 100% AGI limit does not extend to contributions to donor-advised funds or private charities.***

For 2020 only, the CARES Act has a provision allowing \$300 "above the line" charitable deductions for those who do not itemize.

IRA Qualified Charitable Distribution

Donors 70 ½ or older have an opportunity to give up to \$100,000 from their IRA directly to a charity, saving income taxes.