

GIVE UNITED LIVE UNITED

The CARES Act creates a \$300 “non-itemizer” deduction for 2020. The measure grants taxpayers an above-the-line deduction for up to \$300 in charitable donations given in 2020. For example, if you take the standard deduction and give \$300 to charity, you will get a \$300 tax break in addition to the standard deduction.

Now is the perfect time to take advantage of this “above-the-line” opportunity and give to qualifying charities providing critical services to the Marathon County community during this health and economic crisis. Here is the tax benefit break down for those taking standard deductions, itemized deductions and corporate giving:

Standard Deduction

For people who take the standard deduction, the CARES ACT allows you to take a tax deduction for contributions made to qualified charitable entities up to \$300 per year starting in 2020 – this deduction is “above-the-line.” The 2020 Standard deduction is \$12,400 for individuals and \$24,800 for married couples filing jointly. Therefore, any donation to qualifying charities of up to \$300 will be added to the standard rate of deduction. This deduction applies for 2020 and beyond.

Itemized Deduction

For people who file for itemized deductions, the CARES ACT allows you to take a tax deduction of up to 100% of your Adjusted Gross Income (AGI) for contributions to qualifying charities starting in 2020. The new law temporarily lifts the limits on charitable giving from 60% of a taxpayer’s AGI to 100% for 2020.

Corporate Donations

For corporate donors, the CARES ACT allows an entity to take a tax deduction of up to 25% of their Adjusted Tax Income for contributions to qualifying charities starting in 2020. The new law temporarily lifts the limits from 10% of adjusted taxable income to 25% for 2020.