



THE CLIBURN

Donors & The CARES Act

While tax benefits are rarely the primary consideration when making a charitable gift, the advantages of the CARES Act may inform how—and how much—you can give at this time. In the face of economic turbulence, which continues to rattle the economy and nonprofits, many are asking: what can I do? The CARES Act, a sweeping \$2 trillion stimulus bill passed by Congress in response to COVID-19, encourages individuals across the income continuum to participate in the American tradition of charitable giving. Your consideration of giving at this time is admirable.

What can I do?

- Is your annual donation about to come due? Renew it—and consider an upgrade.
- Did you purchase tickets to a performance or the gala? Convert them into an outright gift.
- Are you watching the free online programming? Make a general donation to help cover costs.
- Do you want to see more online programming? Make a general donation to help cover costs.

How (and how much) should I consider giving?

- Gifts of all sizes are essential—in these pandemic times more than ever. Those who have the good fortune of stable work or robust savings may consider giving back in the following ways:
 - ✓ The \$300 Universal Charitable Deduction. The universal charitable deduction was extended for 2021. Individuals who take the standard deduction on their tax return (non-itemizers) can contribute up to \$300 for single filers and \$600 for married couples filing jointly to most 501(c)(3) charitable organizations and claim an “above-the-line” deduction on their 2021 taxes. Previously, there was no charitable contribution tax deduction available for taxpayers who did not itemize deductions. This tax incentive is available for cash gifts to qualified charities (but not to supporting organizations or donor advised funds).
 - ✓ Individuals who itemize their deductions can deduct up to 100% of their adjusted gross income (AGI) for cash contributions to most 501(c)(3) organizations for 2021. (The deduction was previously capped at 60% of AGI for cash contributions.) Any excess contributions available can be carried over to the next five years. For corporations, the law raised the annual limit from 10% to 25% of taxable income. You’ll do well by doing good: supporting a meaningful cause, while eliminating capital gains taxes and reducing your taxable income.

Why should I consider giving?

- Giving is about much more than making a donation. It is about making a difference. Your gift during this time of uncertainty will help to sustain operations. And your generosity will preserve programs so they can lift our spirits and our society once again when the pandemic ends.
- A charitable gift at this time is also a declaration of your faith in the future. It is an action you can take today that will not only make a difference to society; it will make a difference to your own outlook for the future. Scientific evidence confirms that charitable giving makes you feel better.

Please Note: The Cliburn does not provide tax, legal, or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal, or accounting advice. Donors should consult their own tax, legal, and accounting advisors before engaging in any transaction. Source: Benefactor Group. This information is based on information available as of 4/12/2021.