



How the New Tax Law may help Church Giving



We have studied the new tax law and are not concerned that it will negatively impact the Sunday morning offering. In fact, **with more money in our pockets we may experience an increase in weekly giving.**



Whatever the outcome we encourage continued stewardship education throughout the year. Every church should have, at a minimum, an annual campaign asking, “**what is God telling me to give to financially support the ministries of my local church.**” *The New Consecration Sunday Celebration* program is a great way to spiritually help your congregation to grow in this discipline area. If you need help please do not hesitate to contact the United Methodist Foundation: tfrost@igrc.org



Form **1040** U.S. Individual Income Tax Return
For the year Jan. 1-Dec. 31, 2017
Your first name and last name

One possible way the tax law can help churches to increase their annual support is taking advantage of **Qualified Charitable Distributions (QCD)**. People that are 70 1/2 must take a distribution each year from their IRA accounts (required minimum distribution – RMD) This distribution is determined by an IRS formula and is subject to federal income tax. With a QCD, the IRA owner redirects the taxable distribution to the church and the distribution then is NOT federally taxable to them.

This technique is becoming very popular since **the new tax law (TCJA) greatly increases the standard deduction for both individual and couples**. It is estimated that for approximately 95% of income tax filers, using this higher standard deduction will be more beneficial than using itemized deductions. As such, tax deductible donations they previously may have given to the church will not be tax deductible. The QCD offers church givers a way to remove up to \$100,000 per person per year of required taxable distributions on a non taxed basis.

We urge anyone interested in taking advantage of these techniques to consult their financial advisor or tax consultant. If taking advantage of this strategy is right for the donor, we stand ready to assist you as each charity that receives a gift in this manner needs to be prepared as well. The Foundation has taken the steps to be sure that each of its Church partners has the benefit of being ready to receive these gifts in a easy and tax efficient manner.

**Give.
Gain.
Grow.**



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