

The CARES Act & Charitable Giving

Now more than ever, charities such as The ALS Association Greater Sacramento Chapter are needed to meet the needs of our communities. We are grateful for your support during these unprecedented times.

Recently, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted, providing extensive relief for individuals, businesses, medical centers and nonprofits. Some provisions of the CARES Act facilitate charitable giving to protect nonprofits such as the ALS Association, which provide critical programs and services to vulnerable populations. To help you make informed decisions on how you can continue to support the causes you are passionate about in a way that benefits you, we'd like to address key points:

- All individual taxpayers who don't itemize can deduct charitable contributions up to \$300 from their 2020 taxes. This means you can reduce your taxable income up to \$300 on your 2020 taxes. A married couple can deduct charitable contributions up to \$600 from their 2020 taxes.
- The adjusted gross income (AGI) has been waived for 2020, allowing those who itemize to deduct contributions up to 100% of AGI. And any unused contribution deductions on your 2020 taxes can be carried forward up to five years.
- Qualifying C-Corporations can deduct up to 25% of their charitable contributions. Ordinarily, C-Corporations can only deduct up to 10% of their charitable contributions but for 2020, these qualifying companies can deduct up to 25% of their giving.
- Required minimum distributions from an IRA for 2020 have been waived. However, if you are 70 ½ or older, you can still make a qualified charitable distribution up to \$100,000 from your IRA to a public charity such as The ALS Association. A qualified charitable distribution would normally help satisfy your required minimum distribution but even though this is waived for 2020, it may still be an excellent way to give, especially if you do not itemize.

If we can help you understand how to craft your own giving plan that benefits you and your family, please contact Julia Marsili at jmarsili@alssac.org or by phone at (916) 979-9265.

This information is for education purposes only and we encourage you to consult your professional advisor for your own situation.

