

## Charitable Contributions

The Taxpayer Certainty and Disaster Relief Act of 2020 extended the temporary suspension of the AGI limitation on certain qualifying cash contributions to publicly supported charities under the CARES Act. As a result, individual taxpayers are permitted to take a charitable contribution deduction for qualifying cash contributions made in 2021 to the extent such contributions do not exceed the taxpayer's AGI. Any excess carries forward as a charitable contribution that is usable in the succeeding five years. Contributions to non-operating private foundations or donor-advised funds are not eligible for the 100% AGI limitation. The limitations for cash contributions continue to be 30% of AGI for non-operating private foundations and 60% of AGI for donor advised funds. The temporary suspension of the AGI limitation on qualifying cash contributions will no longer apply to contributions made in 2022. Contributions made in 2022 will be subject to a 60% AGI limitation. Tax planning around charitable contributions may include:

- Maximizing 2021 cash charitable contributions to qualified charities to take advantage of the 100% AGI limitation.
- Deferring large charitable contributions to 2022 if the taxpayer would be subject to the proposed individual surcharge tax.
- Creating and funding a private foundation, donor advised fund or charitable remainder trust.
- Donating appreciated property to a qualified charity to avoid long term capital gains tax.