

CARES ACT TAX INCENTIVES EXTENDED—WITH A SMALL BOOST

A couple of key provisions of the CARES (Coronavirus Aid, Relief, and Economic Security) Act were extended into the new year (and, in one case, increased).

Here's what the new stimulus package means for you in 2021:

1

An expansion of the universal charitable deduction for cash gifts

The universal charitable deduction has not only been extended but given a well-deserved upgrade. The new deduction is \$300 for single filers and \$600 for married couples filing jointly. This is available to taxpayers who take the standard deduction. This tax incentive is available for cash gifts to qualified charities (but not to supporting organizations or donor advised funds).

2

An extension of the cap on deductions for cash contributions

Contributions to public charities are generally limited to a percentage of a taxpayer's adjusted gross income (AGI). The CARES Act lifted the cap on annual contributions for those who itemize, increasing it from 60% to 100% of AGI for 2020 (and now for 2021). Any excess contributions available can be carried over to the next five years.

3

For corporations, the law raised the annual limit from 10% to 25% of taxable income.

To learn To learn how you can apply these tax savings tools to a charitable gift, contact Adele Dietrich at adele@mcdowellsonoran.org or 480.998.7971 x102.



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1991 - 2021