

# Special IRS Incentives to Donate Cash by December 31, 2020

On March 27, the President signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act to help combat the far-reaching impacts of COVID-19. The bill provides increased tax incentives for charitable giving for both individuals and corporations, signifying an intent to stimulate philanthropy throughout America.

*This is not legal or accounting advice, so please consult your accountant to confirm your specific situation.*

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## Are you itemizing deductions?

The adjusted gross income (AGI) limit for cash contributions was increased for individual donors. For cash contributions made in 2020, you can now elect to deduct up to 100 percent of your AGI (increased from 60 percent).

## Interested in corporate giving?

The AGI limit for cash contributions was also increased for Corporations that can now deduct up to 25 percent of taxable income (increased from 10 percent).

## Not itemizing?

The CARES Act allows for an “above-the-line” deduction for charitable gifts made in cash of up to \$300, if you are not itemizing on your 2020 taxes.

Source:

<https://www.fidelitycharitable.org/articles/what-the-cares-act-means-for-charitable-giving.html>

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## What conditions need to be met to qualify for the enhanced tax benefits?

To trigger these new benefits, both individual and corporate taxpayers have to make a *qualified charitable contribution*. Both of these new incentives apply **only to cash contributions to public charities** and do not apply to contributions to supporting organizations or public charities that sponsor donor-advised funds, although they are still eligible for the regular deduction. Contributions of any kind of property, including marketable securities, real assets or otherwise, do not qualify. To qualify, the cash contributions have to be made by December 31, 2020, to a **public charity** (with a few exceptions).

**The Builder Foundation is a qualified public charity [Tax ID: 47-0844890].**

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