

Give While the Giving is Good: CARES Act Charitable Giving Incentives Expiring December 31

Among the many forms of relief included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, certain “limited-time only” enhanced tax benefits for charitable giving are of particular note as we head into the end of the year. Many donors may not be aware of these incentives – or that they are expiring soon – and so nonprofits may want to consider including a reminder in year-end solicitation materials.

The following are a few key provisions:

- **Universal Charitable Contribution Deduction.** Taxpayers who elect not to itemize deductions are eligible to receive a tax deduction of up to \$300 for cash donations to charitable organizations described in Internal Revenue Code Section 170 (b)(1)(A).
- **Elevated Cash Deduction Limits.** Taxpayers who do elect to itemize deductions may now deduct contributions to the extent of their contribution bases, up to 100% of their 2020 Adjusted Gross Income (AGI). Corporate donation limits have increased from 10% to 25% of taxable income for 2020.
- **Food Donations.** Food donation deductions have increased from 15% to 25% for 2020, including donated food inventory from restaurants and smaller donations to local food pantries for the care of the ill, needy or infants.

As always, any communications to your donors that include any mention of potential tax benefits should expressly state that such benefits are only potentially available, and should encourage donors to talk to their own tax advisors to determine their eligibility.

If you have any questions or concerns related to the charitable giving incentives provided in the CARES Act, please contact [Thomas W. Simcoe](#), [Delaney M. R. Knapp](#) or the attorney at the firm with whom you are regularly in contact.



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