



Charitable organization of the Chicago District Golf Association

CARES ACT

The Coronavirus Aid, Relief, and Economic Securities (CARES) Act. The U.S. Congress has passed the CARES Act to provide economic assistance this law supports unprotected support or nonprofit organizations and is the largest stimulus package in U.S. history.

Here are some important updates to tax deductions, effective for contributions made in the calendar year 2020:

- **Standard deductions:** Tax deduction of up to \$300 per taxpayer (\$600 for a married couple) in annual charitable contributions for people who claim the standard deduction when filing taxes.
- **Itemized deductions:** Individuals who itemize their taxes are now able to deduct up to 100% of their charitable contributions in 2020, rather than the previous 60% limitation.

These tax incentives apply to cash contributions only and do not apply to contributions to a supporting organization, a Donor Advised Fund (DAF) or a carryover contribution. *Please reach out to an attorney or financial advisor for official legal or tax advice.*

What this means for donors:

- The CARES Act lifts these caps to 100% for individuals and joint filers, while corporations will see their cap lifted to 25% for 2020.
- For individuals, it could theoretically mean zero taxable income in terms of large donations.

Example: If John Doe Taxpayer has an AGI of \$175,000 he would normally be able deduct up to \$105,000 for gift to charity. With the temporary changes in the CARES Act, John could now deduct up to his full AGI of \$175,000 if he gives that much to charity in 2020

Please contact your tax advisor with any further questions or visit: <https://www.irs.gov/charities-non-profits/charitable-organizations/charitable-contribution-deductions>



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