



VILLAGE

CHURCH

New opportunities for giving under the CARES Act

There are several ways to make your gifts go further in 2020. This is due to the legislation passed in the spring due to the coronavirus pandemic.

- If you made a large cash gift in 2019, you could only deduct up to 60% of your adjusted gross income. This year, the new legislation for COVID relief allows you to deduct an equivalent of 100% of your adjusted gross income. For example, if you had a large Individual Retirement Account balance not needed for living expenses and are over 59.5 years old, you could give more now without paying taxes. You could withdraw \$15,000 and contribute to Village. This adds \$15,000 to your adjusted gross income, but you can deduct the entire \$15,000 since charitable gifts in 2020 are deductible up to 100% of adjusted gross income. This is roughly the equivalent of a tax-free charitable rollover.
- The contribution limit for corporations was raised from 10% to 25% of taxable income. If you own a business, please consider this.
- Many corporations will match gifts to our Grace Fund so see if your employer might raise their limits this year, as noted above!
- Taxpayers who do not itemize deductions can now claim a charitable deduction of up to \$300. This means you could increase your giving by \$300, recover part of that in tax savings, and help address needs we're meeting in our community.