



VILLAGE
C H U R C H

Opportunities for giving under the CARES Act

There are several ways to make your gifts go further in 2021. This is due to the legislation passed in 2020 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. Through the end of 2021, 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 2021 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.
- Through the end of 2021, individual taxpayers who take the standard deduction may deduct charitable gifts up to \$300. Married couples who file joint returns can deduct charitable gifts up to \$600. This means you could increase your giving by \$300 (or \$600 for married couples), recover part of that in tax savings, and help address needs we're meeting in our community.