

Maximize the Benefits of Giving

December is the season of giving; nearly one third of giving occurs at the end of the calendar year. As you join the millions of Americans making a charitable donation to their favorite organization this December, you may also want to take stock of the numerous tax benefits of charitable giving. We encourage you to consult your tax advisor for specific guidance for your family.

Below are a few key opportunities that you may want to explore:

- If you take the standard deduction, you can deduct up to \$300 in cash donations to eligible charities. [“The CARES Act added a new \\$300 charitable contribution deduction for 2020. Here’s what you should know,” CNBC](#)
- If you itemize, deductions for charitable contributions are generally capped at 60% of your adjusted gross income (AGI). However, the CARES Act increased the limit to 100% of 2020 AGI. (Note: different rules apply to donations to donor advised funds. Please consult a tax professional for details.) [“CARES Act 100% Of AGI Limit On Charitable Contributions Explained,” Forbes](#)
- Qualified Charitable Distributions (QCD) permit both itemizers and non-itemizers aged 70 ½ or older to direct up to \$100,000 from an IRA to qualifying charities without triggering a taxable event. The CARES Act allows taxpayers to avoid the Required Minimum Distribution for 2020; this does not prevent donors from making a QCD from their IRA. (Note: donations to donor advised funds are not eligible). [“CARES Act Drastically Changes Required Minimum Distribution Rules For 2020,” Forbes.](#)
- Donating appreciated stock can offer the opportunity to minimize capital gains taxes. If you donate stocks or other investments that you have held for at least a year, you pay no capital gains tax. These distributions can be made to a donor advised fund, but there are tighter limits on the total amount that can benefit from the deduction. [“Making Charitable Donations Of Stock Instead Of Cash After Tax Reform,” Forbes](#)
- Donor advised funds offer some people an opportunity to “bundle” or “bunch” several years’ worth of contributions in order to address the higher standard deduction in other years. [“Bunching Donations in a Donor Advised Fund,” ACT for Alexandria.](#)

Note that in many other cases, the earlier you give, the more you are able to avoid tax on any earnings that arise within a donor advised fund rather than your own taxable accounts.