

## CARES Act Expands Charitable Giving

To encourage more charitable giving in 2020, the recently enacted government stimulus bill or the CARES Act provides some additional tax relief for donors. This makes it easier to give and save at the same time.

If you take the standard deduction on your 2020 tax return (the one that you will file in 2021), you can claim a new “above-the-line” deduction of up to \$300 for **cash** donations to charity you make this year. Normally, you have to itemize on Schedule A to get a tax break for charitable donations. In this case, it’s the other way around, if you itemize, you can not take this particular new deduction.

If you **do** itemize on Schedule A, you can still obviously claim a deduction for any and all charitable donations. The new CARES Act lifts the 60% of AGI limitation for cash donations made in 2020 to 100% of your Adjusted Gross Income. That means taxpayers who file a Schedule A can deduct more of their charitable donations in 2020, which will hopefully boost charitable giving.

The bottom line is for tax year 2020, there may be more opportunities to deduct charitable giving. As always, donations must be made to a qualified charity.

Everything with the new stimulus package continues to be very fluid and ever changing. Please watch for any updates in forthcoming Tax Tips emails or check our website to catch up on any that we have sent already. [www.kaupsfinancial.com](http://www.kaupsfinancial.com)

Thanks,

**Lori Lemmer**

Income Tax Preparer

*The opinions contained in this material are those of the author, and not a recommendation or solicitation to buy or sell investment products. This information is from sources believed to be reliable, but Cetera Advisor Networks LLC cannot guarantee or represent that it is accurate or complete. Cetera Advisors Networks LLC, or any of its representatives may not offer legal or tax advice. Any tax advice is offered solely through Kaup's Financial Advisors, Inc. The information in these articles are not intended as specific tax or legal advice, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek your specific tax or legal advice from an independent professional advisor. Information provided herein was obtained from [www.irs.gov](http://www.irs.gov). This information is designed to be educational. This information covers selected tax issues that are condensed. The recipient is cautioned not to rely on these summaries in lieu of a full review of applicable statutes, regulations and authorities, affecting any specific tax issue or transaction. Consult with your tax preparer for more detailed information and how it may apply to you and your specific situation.*