

Charitable Tax Deduction

Key Messages



United Way of
Benton & Franklin Counties

- The work of United Way of Benton & Franklin Counties and many local nonprofits who receive our grants, is fueled by donations. We have so much more work to do in the face of the 2020 economic downturn. Please consider donating! For 2020, the CARES Act allows taxpayers to deduct up to \$300 in charitable contributions; \$600 for a married couple filing jointly.
- United Way has provided food, shelter, transportation, mental health resources, childcare and more during the COVID-19 health and economic crisis. But community needs will soon outstrip resources. Please consider donating to United Way of Benton & Franklin Counties so we can continue this important work. For those who do not itemize, your donation may be eligible for a tax deduction up to \$300; \$600 for a married couple filing jointly. If you do itemize, nothing changes! Find out what United Way of Benton & Franklin Counties is doing to help cope with the pandemic here: WWW.UWBFCO.ORG/COVID19
- The CARES Act allows you to deduct up to \$300 in charitable donations when you file taxes for 2020 with a standard deduction; \$600 for a married couple filing jointly. For those who itemize, nothing changes. This is a great time to donate to United Way of Benton & Franklin Counties!
- Did you know that you can deduct up to \$300 in donations even if you take the standard deduction? Married, filing-jointly taxpayers get a \$600 above-the-line deduction. Please give to United Way of Benton & Franklin Counties today to help your community!

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Frequently Asked Questions

What is the charitable deduction?

On March 27, 2020, Congress enacted The CARES Act, which created a new charitable deduction available to the 120 million Americans that do not itemize their deductions. This new benefit, also referred to as a universal deduction, allows for a charitable deduction of up to \$300 per individual. This is an above-the-line contribution that is deducted from the individual taxpayer's income prior to the calculation of their adjusted gross income.

Who is eligible for this charitable deduction?

Donors who do not itemize their tax returns are eligible for a new \$300 charitable deduction. This special deduction applies to approximately 120 million Americans who filed non-itemized tax returns every year.

When does the deduction expire?

The charitable deduction was enacted to help charities raise donations in 2020 and expires on December 31, 2020.

Does the option of a charitable deduction actually impact how much people donate?

Research indicates that even people who make small donations are influenced by tax policy. This is the reason that 10% of charitable giving, or roughly \$30 billion, occurs in the last three days of the year. But since 2018, only about 10% of taxpayers have been able to take a charitable deduction.

While the deduction doesn't influence the decision of every donor, most economic estimates predict an overall increase in giving by about 5% resulting from a charitable deduction.