

The CARES Act Adds a New \$300 Charitable Contribution Deduction for 2020

[Credits & Deductions](#) • [Taxes](#)

Because the majority of taxpayers in America take the standard deduction — meaning they do not elect to itemize — charitable donations aren't necessarily a big consideration come tax time. Due to the CARES Act, however, things are a bit different for 2020.



Thanks to federal coronavirus relief legislation, taxpayers are now able to take advantage of a new deduction for [donating to qualifying charities](#) — up to \$300 for individual returns. This applies even if they don't itemize, which is favorable news for many tax filers.

Another nifty [CARES Act](#) change worth noting for this particular charitable contribution benefit is the removal of the deduction cap. Normally, the deduction cap on charitable contributions for those who itemize is 60% of your adjusted gross income (AGI). The CARES Act lifts that cap to 100% for individual and joint tax filers that wish to claim this \$300 charitable donation deduction.

How do I know if my charitable contributions qualify?

The qualification rules set forth by the IRS are relatively straightforward. In order to take this enhanced deduction, simply ensure that your donation is:

- a cash contribution
- made to a qualifying organization
- made during the 2020 calendar year

Some of the most common types of organizations that qualify include:

- Monetary donations to a state, the United States, or a political subdivision thereof (as long as your donations are utilized exclusively for public purposes)
- Civil defense organizations and volunteers
- Churches, synagogues, or other religious institutions
- War veterans' organizations
- Companies whose funds and efforts are exclusively utilized for the care of a cemetery
- Nonprofit volunteer fire companies
- Organizations dedicated to the prevention of cruelty to children or animals

It is important to note that this deduction applies solely to public charities. Any donations made to private foundations or individuals do not qualify.

How does a charitable contribution deduction affect my refund?

Unlike a credit (which is a dollar-for-dollar reduction in the amount of tax you owe), a deduction impacts your tax liability differently depending on your tax bracket.

For example, an individual who falls into the 10 percent tax bracket would see a \$30 change as a result of this deduction. For someone in the 37% bracket, however, the [charitable contribution deduction](#) this year would be worth \$111.

This may not seem like much in the grand scheme of things, but we believe it's important for you to take advantage of every possible opportunity to save. During a time in which every dollar counts, this is one deduction you won't want to miss come tax season.

[Start for free](#)

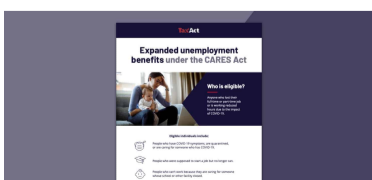
[Sign In](#)

[← Previous Post](#)

[Next Post →](#)



Related Articles



[INFOGRAPHIC]
CARES Act Expanded



**Is there a deduction
limit on charitable**



**Can I claim a
charitable deduction if**

Take Contr

Sign up to get the latest tax tips, information on pers

Enter your



Share TaxAct with
your friends and
get rewarded!

Get a \$20 Amazon.com Gift Card
for every eligible referral.

[Learn More](#)

Connect with us

