

The CARES Act helps you make a charitable gift!

Here are the details on the NEW tax deduction for 2020:

Donors who take the **standard deduction** may also take an “above-the-line” deduction for up to \$300 in charitable donations made in 2020 (\$600 for married couples filing jointly). This effectively allows a limited charitable deduction for taxpayers claiming the standard deduction. For example, if you take the standard deduction and give \$300 to charity, you will get a \$300 tax deduction (\$600 for married) in addition to the standard deduction. (\$12,400 for individuals and \$24,800 for married couples filing jointly). *

Importantly, this deduction is available to you, even if you have already taken advantage of the Arizona Charitable Tax Credit!

For donors who **itemize deductions**, the CARES ACT also allows you to take a tax deduction of up to 100% of your Adjusted Gross Income (AGI) for contributions to qualifying charities in 2020. The new law temporarily lifts the limits on charitable giving from 60% of a taxpayer’s AGI to 100% for 2020.

**Please consult your tax advisor if you have questions.*

The IRA Qualified Charitable Distribution*

The IRA Qualified Charitable Distribution may offer donors over the age of 70.5 a unique opportunity to support our work, while receiving favorable tax treatment for their gift.

In December 2015, Congress passed a law allowing donors to give up to \$100,000 to charity directly from certain types of Individual Retirement Accounts (IRAs) without counting the distribution as taxable income. This Qualified Charitable Distribution or “QCD” is a distribution from an IRA that is paid by a direct transfer of funds from an IRA custodian to a qualified charity like North Valley Christian Academy, excluding it from taxable income.

QCD’s may be counted toward satisfying a donor’s Required Minimum Distributions (RMDs) for the year, as long as certain requirements are met. While many types of IRAs are eligible for QCDs, there are strict requirements.

While the SECURE Act of 2019 changed the minimum age of RMDs, it did not change the minimum age for QCDs. 70.5-year-olds are still eligible to make a Qualified Charitable Distribution (QCD).

**The information provided above is general in nature and should not be relied on as tax, legal or financial planning advice. For specific advice, please consult your professional advisors.*