

Tax Deductions for Charitable Giving

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The Consolidated Appropriations Act (CAA) signed December 28, 2020 continues the additional federal tax benefits of qualified charitable contributions originally enacted under the CARES Act. Under the CAA, taxpayers who claim the standard deduction on their 2021 federal Individual Income Tax Return may claim an "above the line" deduction for up to \$300 of charitable donations, or \$600 if married filing jointly. To qualify, the contributions must be made by cash, check, or credit card (not securities or property) to a qualified public charity by December 31, 2021.

Taxpayers who itemize their deductions may not claim the above the line deduction, and must instead deduct their charitable contributions on Form 1040, Schedule A. Taxpayers may deduct cash charitable contributions up to 100% of their adjusted gross income for 2021, increased from the 60% limitation prior to the CARES Act. Both of these expanded deductions are set to expire at December 31, 2021, unless they are extended.