Donors ‘CARE’ to Support PETA

The Coronavirus Aid, Relief, and Economic Security (CARES) Act encourages charitable giving by loosening some limitations on charitable income tax deductions for individuals and corporations.

TAX BREAKS FOR PETA SUPPORTERS
With supporters needed now more than ever to fuel PETA’s work, the CARES Act encourages charitable giving in two ways.

FOR INDIVIDUAL DONORS
• Deductions on cash gifts had previously been limited to 60% of adjusted gross income (AGI). Now this limitation is suspended for 2020 only, and deductions can be taken up to 100% of AGI.
• Supporters who use the standard deduction rather than itemizing can now deduct an additional $300 in cash contributions to public charities like PETA. And this deduction is permanent, not limited to 2020.

There are some restrictions:
• The gifts must be cash, rather than securities or other assets, and they may be given outright or used to establish a charitable gift annuity.
• The gifts must be made to public charities, not to donor-advised funds, charitable trusts, supporting organizations, or private foundations.

For Corporations
• Corporations may now deduct charitable contributions up to 25% of their income, rather than 10%.
• Corporations may now deduct contributions of food inventory up to 25% of their income, rather than 15%.

REQUIRED MINIMUM DISTRIBUTIONS WAIVED IN 2020
• Required minimum distributions (RMD) that would have had to start in 2020 do not have to start until 2021.
• While some supporters have used their RMDs to make a qualified charitable distribution (QCD, sometimes called an IRA rollover) to PETA, QCDs are also a great way for donors, especially those who don’t itemize, to make tax-advantageous contributions.
• If you are 70½ or older, a QCD allows you to contribute up to $100,000 (for individuals) or $200,000 (for married couples) to charity from your IRA without paying income tax.

As always, please consult with your financial or tax adviser to determine the impact of these CARES Act provisions on your plans.