

## **Cares Act**

In times of crisis, human needs often met by charities do not go away – in fact, they become even more intense. As the burdens increase on charities during this pandemic, the need for support from loyal donors has never been greater. Congress recognized this fact and recently passed legislation designed to encourage giving to public charities this year.

For decades, taxpayers had to itemize on their personal income tax returns in order to deduct their charitable contributions. However, when the *2017 Tax Cuts and Jobs Act* roughly doubled the standard deduction, the great majority of Americans simply began taking the standard deduction, foregoing the extra tax benefits of their charitable giving. Periodically, the charitable sector began to see a decline in giving.

### **An ‘above-the-line’ deduction**

To help alleviate the economic devastation in the wake of the coronavirus pandemic, Congress recently passed the Coronavirus Aid Relief and Economic Security (CARES) Act. Public charities were provided two significant benefits under the CARES Act. The first is a universal “above-the-line” deduction allowing taxpayers to claim up to \$300.00 this year for cash gifts to charities. Now, donors can claim the tax benefits of a charitable contribution and still take the simple standard deduction.

### **Significant tax savings for larger gifts**

The second bonus to charities under the CARES Act may appeal to wealthier donors who wish to reduce or even eliminate their income tax liability. Previously, donors were only allowed to deduct charitable contributions of cash up to 60% of their adjusted gross income (AGI). For 2020 only, the annual limit has been removed and donors can deduct cash contributions up to 100% if their AGI, effectively wiping out their income tax liability!

The ease with which up to \$300.00 of charitable cash contributions can now be claimed is encouraging to charities, especially those who rely on small donations. For those donors considering a significant cash gift to a public charity, a donation in 2020 is a unique, one-time opportunity to maximize tax savings as well as impact charity during a time of extraordinary need.

Your friends at Kurn Hattin Homes for Children are always on standby to explore the many ways tax-wise giving can create win-win solutions.

## **Remember Us in Your Will and Leaving a Lasting Legacy**

By naming New England Kurn Hattin Homes in your will, you can guarantee that your legacy of caring for children will continue for generations to come.

**Fixed Amount:** I give the sum of \$\_\_\_\_\_ to New England Kurn Hattin Homes.

**Specific Property:** I give my \_\_\_\_\_ to New England Kurn Hattin Homes.

**Percentage of Remainder:** I give \_\_\_\_\_% of the remainder of my estate to New England Kurn Hattin Homes.

**Contingency:** In the event \_\_\_\_\_ does not survive me, I give \_\_\_\_\_ to New England Kurn Hattin Homes.

These samples are suggestions only. Legal documents should always be prepared by your attorney.

New England Kurn Hattin Homes legal address is 708 Kurn Hattin Road, PO Box 127, Westminster, VT 05158.

New England Kurn Hattin Homes is a 501(c) (3) nonprofit charitable organization. Gifts are tax deductible. EIN: 03-0179306.

## Memorial and Honor Gifts Form

Amount: \$ \_\_\_\_\_

Given by \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

### In Memory of:

Name \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

### In Honor of:

Name \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

For: \_\_\_\_\_

Send acknowledgement letters to:

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