Donors “CARE” to Support City of Hope

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 City of Hope Supporters

With supporters needed more than ever to support City of Hope’s work, the CARES Act encourages charitable giving in three 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 of cash contributions to public charities like City of Hope. And this deduction is permanent, not limited to 2020.

There are some restrictions.
  • The gifts must be cash, rather than securities or other assets. The gifts 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 income, rather than 10%.
  • Corporations may now deduct contributions of food inventory up to 25% of income, rather than 15%.

➢ Required Minimum Distributions Waived in 2020
  • Under the CARES Act, required minimum distributions (RMDs) from IRAs that would have had to start in 2020 do not have to start until 2021.
  • Some supporters have used their RMDs to make a qualified charitable distribution (QCD) to City of Hope. However, even with RMDs suspended for 2020, QCDs are still 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 advisor to determine the impact of these CARES Act provisions on your plans.

We welcome the opportunity to answer your questions. Please contact one of our gift planning experts toll-free at 800-232-3314 or by email at plannedgiving@coh.org.

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