

## CARES ACT DEDUCTION FOR 2020

The measure grants taxpayers an above-the-line deduction for up to \$300 in charitable donations given in 2020. For example, if you take the standard deduction and give \$300 to charity, you will get a \$300 tax break in addition to the standard deduction.

Here is the tax benefit break down for those taking standard deductions, itemized deductions and corporate giving:

### **Standard Deduction**

For people who take the standard deduction, the CARES ACT allows you to take a tax deduction for contributions made to qualified charitable entities up to \$300 per year starting in 2020 – this deduction is “above-the-line.” The 2020 Standard deduction is \$12,400 for individuals and \$24,800 for married couples filing jointly. Therefore, any donation to qualifying charities of up to \$300 will be added to the standard rate of deduction. This deduction applies for 2020 and beyond.

### **Itemized Deduction**

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

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