

**United Way of Tucson
and Southern Arizona**



Donations to Charitable Giving

Great news! There is a new financial incentive for Americans to give generously to qualifying charities, including your United Way of Tucson and Southern Arizona and many of our community partners. The new universal tax break for charitable donations was included in the final \$2 trillion COVID-19 stimulus package signed into law last week and will go into effect starting with the 2020 tax year.

Now is the perfect time to take advantage of this “above-the-line” opportunity and give to qualifying charities providing vital services to the Southern Arizona community during the unprecedented COVID-19 health and economic crisis.

Here is the 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 is here 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.

Corporate Donations:

For corporate donors, the CARES ACT allows an entity to take a tax deduction of up to 25% of their Adjustable Tax Income for contributions to qualifying charities starting in 2020. The new law temporarily lifts the limits from 10% of adjusted taxable income to 25% for 2020.

Your gift matters more than ever during this time of need and we hope that you are able to take advantage of this charitable opportunity. Every gift matters and it is truly a win-win opportunity for donors and nonprofits, including your United Way of Tucson. Gifts of all sizes are greatly appreciated and will go directly to building a thriving Southern Arizona community as we navigate this new COVID-19 landscape together. When we LIVE UNITED, we can achieve more than any single entity can alone. When you GIVE UNITED, you can change lives.