



Center for
Employment
Opportunities

The 2020 CARES Act

At a Glance

Overview

The **CARES Act** (H.R. 748), signed into law on March 27, is a \$2 Trillion economic stimulus package providing limited relief to individuals, industries, businesses, states and localities affected by COVID-19. Even though the CARES Act is the largest economic stimulus package in our country's history, more federal action will be needed to assist impacted populations, such as CEO participants, and to establish a pathway back from the economic devastation resulting from COVID-19.

The CARES Act Stimulus & CEO Participants

The CARES Act provided a direct payment to citizens in the form of a tax rebate. Individuals who make \$75,000 or less in income receive \$1,200, and the benefit reduces by 5% until it zeros out for those individuals making more than \$99,000. Citizens are eligible for an additional \$500 per child. Returning citizens qualify for the rebate, but there may be difficulty securing these funds for individuals who have not filed a recent tax return. Additionally, creditors may be able to garnish the funds for debt owed, making it difficult for the money to help those justice-involved individuals burdened by debt.

Implications of the 2020 CARES Act

Charitable Deductions
(Sections 2204-2205)



For Individual Donors

Standard Deduction: Tax payers are permitted to take a tax deduction for contributions made to qualifying nonprofit organizations up to \$300 (\$600 for a married couple). This benefit is a permanent charitable deduction that will be made available to all taxpayers who select a Standard Deduction in 2020 and beyond. A donation to a Donor Advised Fund does not qualify for this deduction.

Itemized Deduction: Tax payers are permitted to take a tax deduction of up to 100% of your Adjusted Gross Income (AGI) for contributions made to qualifying nonprofit organizations. The law relaxes the limitations placed on charitable giving (from 60% of a taxpayer's AGI to 100%).

For Corporate Donors

Charitable Deductions: Under the CARES Act, corporations that opt to itemize their deductions, will be eligible to deduct a larger percentage of their contributions. While in the past, corporations were limited to a 10% deduction on their taxable income, they may now deduct up to 25% of taxable income for cash gifts that are made to qualifying nonprofit and charitable organizations. This new deduction does not apply to donations to private foundations or Donor Advised Funds.



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Questions?

Contact Nacllies J. Richards
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