Coronavirus Aid Relief, and Economic Security (CARES) Act Tax Deductions

As part of the CARES Act, changes to tax benefits were made to encourage charitable giving. We at MTA want to share this useful information with fellow trustees, directors and senior staff so that all of us who have invested so much of our time, talent and treasure in our favorite museums have the knowledge to consider making donations in these ever changing times.

$300 Cash Contribution Deduction.

Beginning in 2020, individuals can take a $300 above-the-line deduction for cash contributions to charities, regardless of whether or not the individual itemizes deductions.

Enhanced Charitable Contribution Limits for Individuals and Corporations.

Generally, individuals that itemize deductions are limited with respect to the amount of deduction available for charitable contributions made during the year. These limits are typically determined by a percentage of the individual’s adjusted gross income (AGI). As a result of the CARES Act, for individuals that itemize, the 60% of adjusted gross income (AGI) limit that previously applied for qualifying cash contributions to public charities will not apply for 2020. Thus, individuals will be eligible for a deduction up to 100% of AGI for 2020 for qualifying cash contributions. For corporations, the 10% limit on deductions for charitable contributions has been increased to 25% of taxable income.

The new charitable giving incentives under the CARES Act will only apply...
to cash donations, not donations of stock, real estate or other non-cash
types of property. In addition, the contributions must be to public
charities, not private foundations or donor-advised funds.

For additional clarification, we suggest you consult with your
accountant. We hope that Directors and Senior staff will share this
with their Trustees and Donors. Considering what we all invest in
our favorite museums during the usual days and weeks, we hope
that these changes in the tax laws will spur everyone to think about
making a donation.