

The New York Times

It's Easier to Get a Tax Deduction for Donations This Year

Under the pandemic relief program, taxpayers can deduct up to \$300, even if they take the standard deduction. And even if \$300 doesn't sound like much, it's "a big deal" to the needy.

Credit...Till Lauer **By Ann Carrns**

Nov. 20, 2020

Thinking of making a donation to a charitable cause before the end of the year? This is a good time to do it, as the pandemic rages again. Plus, you can take a deduction for contributions in 2020, even if you don't itemize on your income tax return.

Under the CARES Act, part of the federal government's pandemic relief program that passed in March, individual taxpayers can take a [deduction](#) of up to \$300 for cash donations made in 2020 when they file their tax return in the spring. Typically, you can deduct charitable donations only if you itemize your personal deductions, rather than taking the standard deduction. With [changes in the federal tax code](#) in 2017, through the Tax Cuts and Jobs Act, the vast majority of taxpayers now take the standard deduction. The law roughly doubled the standard deduction and did away with some itemized deductions. For the tax year 2018, just 11 percent of filers itemized, according to the Internal Revenue Service. (For 2020, the standard deduction is \$12,400 for single filers, and \$24,800 for married couples filing jointly.)

While the change simplified tax filing for many people, it removed a financial incentive for some people to donate. Some nonprofit organizations have felt the pinch, said Gil Nusbaum, general counsel at the National Philanthropic Trust, which provides expertise to donors and foundations. "Grassroots charities were disproportionately affected," he said.

The new "universal" deduction makes it easier for people to receive a tax benefit for giving. Because the deduction is taken "above the line," it reduces, by up to \$300, your adjusted gross income — an important number because it determines your eligibility for tax credits and other deductions.

While \$300 may not seem like a large sum to donate, it can go a long way toward helping charities stretched thin by the demands of the pandemic, nonprofit specialists say. "It's a step in the right direction," said Una Osili, associate dean for research and international programs at the Lilly Family School of Philanthropy at Indiana University. Particularly in areas of deep poverty, \$300 can make a significant impact, said Michael Faye, chief executive and co-founder of [GiveDirectly](#), a nonprofit that supports cash transfers to those in need so they can choose what to buy. In Kenya, he said, 75 cents a day lifts a person above the poverty line. "Can \$300 make a meaningful difference?" he

asked. “Unambiguously yes.”

The average donation at a fund-raising gala might be \$125 to \$150, said Afi Tengue, vice president of philanthropy and impact at [Giving Compass](#), which helps donors research issues and make contributions. In that context, she said, “\$300 is a big deal.” Here are some questions and answers about charitable donations. **Is the \$300 universal deduction in the CARES Act permanent?**

The deduction is temporary, for tax year 2020 only, said Cari Weston, director of tax practice and ethics at the American Institute of C.P.A.s. (Congress sometimes extends temporary tax provisions, and nonprofit organizations would like to see that happen, so stay tuned.)

If my spouse and I file a joint tax return, can we deduct up to \$600?

The I.R.S. has not yet made clear whether the law allows a \$300 deduction per taxpayer or per tax return. Though some legal firms have written that it is “reasonable” to assume that the deduction is \$600 per couple, Ms. Weston said that most tax professionals would probably advise clients to be “conservative” and deduct no more than \$300 per return.

How should I decide where to donate?

Choosing where to spend your money is a personal decision, but there are tools available to help you decide.

Phil Buchanan, president of the Center for Effective Philanthropy and author of the book “Giving Done Right,” suggested supporting community foundations, which are deeply familiar with local needs and probably have funds dedicated to dealing with the coronavirus. To find one in your area, the Council on Foundations offers an online [search tool](#). If you are looking toward rebuilding beyond the current crisis, he suggested that you consider supporting local performing-arts organizations, which have been hit hard by the evaporation of ticket sales.

Giving Compass offers a database of nonprofit groups, and a repository of coronavirus-specific response funds, Ms. Tengue said. People seeking to make donations over time might consider starting or joining “giving circles,” she said, in which groups of like-minded people pool funds and choose organizations to support. Two sites to try: [Philanthropy Together](#) and [Grapevine](#). Websites like [Charity Navigator](#) and [Charity Watch](#) can help donors evaluate charities.