



DID YOU KNOW THAT THE CARES ACT CAN HELP MERCY CENTER?

***By providing key tax incentives to donors to non profit organization,
new legislation may encourage you to consider a financial gift to
MERCY CENTER***

CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT (CARES) Act

WHAT IS THE CARES ACT?

On Friday, March 27, Congress passed and the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This is a \$2 trillion economic stimulus package legislated to provide immediate relief for nonprofits, businesses, individuals and state and local governments.

How does the CARES Act benefit donors to nonprofit organizations?

The CARES Act incentivizes charitable giving from individuals and corporations by increasing tax deductions for charitable donations.

What are individual donor benefits?

All taxpayers (both those who itemize and those who use standard deduction) can deduct up to \$300 of total charitable contributions in 2020. Prior to the CARES Act, those who use standard deduction could not deduct any charitable giving.

What are the additional benefits for those who itemize their taxes?

The law lifts the existing cap on annual contributions for those who itemize their taxes, significantly raising it from 60% of adjusted gross income to 100% of adjusted gross income.

What are charitable giving incentives for corporations?

The CARES Act raises the annual limit of charitable giving that corporations can deduct from 10% of taxable income to 25% of taxable income.

Food donations from corporations are raised from 15% of taxable income to 25% of taxable income.

***This communication is for informational purposes only and is not to be considered legal or tax advice.
Please consult with your accountant or tax advisor with regard to such matters.***



OTHER SOURCES OF INFORMATION

[H.R. 748 - Coronavirus Aid, Relief, and Economic Security Act or the CARES Act](#)

[Inside Charity - "CARES Act for Nonprofits - What's in the Bill For Charities?"](#)

[National Council of Nonprofits - Coronavirus Aid, Relief, and Economic Security CARES Act \(Pub. L. 116-132\)](#)