



Charitable Giving in 2021: Extension of Benefits Under the CARES Act

In 2020, the CARES Act added certain provisions to benefit generous donors like yourself to encourage charitable giving. As a result of the stimulus package passed by the United States Congress in early 2021 (the Consolidated Appropriations Act, 2021) a couple of these provisions were extended or even increased into this year:

Extension and expansion of the above-the-line charitable deduction

- The \$300 above-the-line charitable deduction has been extended for single filers who do not itemize deductions.
- For 2021, this above-the-line deduction is increased to \$600 for married couples filing jointly who do not itemize tax deductions.
- As in 2020, this deduction applies only to qualified cash contributions to organizations like the Kansas 4-H Foundation, and does not apply to cash contributions made to private foundations, donor advised funds, or supporting organizations, or to split interest trusts like charitable remainder and lead trusts. It also does not apply to carry-over contributions.

Extension of the charitable contribution limitation

- The temporary suspension of the 60 percent charitable contribution deduction limitation has been extended into 2021 for qualified cash contributions.
- In 2021, individual taxpayers who itemize tax deductions and who contribute cash to a public charity, or a limited number of private foundations, may deduct up to 100 percent of their adjusted gross income after taking into account other contributions subject to charitable contribution limitations.
- Individual taxpayers can continue to carry forward any excess charitable contributions for five years, but the enhanced 100 percent deduction limitation expires after 2021.
- In 2021, corporations may continue to deduct charitable gifts up to 25 percent of the corporation's taxable income (increased from 10 percent).

The CARES Act suspension of the required minimum distribution from most retirement plans for 2020 was not extended into 2021.

Please note that the above applies to federal taxes only; state law may vary. For more information about how the extension of these CARES Act provisions may impact your specific financial situation, please consult with your tax, legal, or financial advisor(s).

For more information on giving to the Kansas 4-H Foundation contact Lauren Luhrs, Senior Director of Development, at 785-775-0123 or email LLuhrs@kansas4Hfoundation.org.

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