

## CHARITABLE GIVING CONSIDERATIONS FOR 2021

In response to the ongoing COVID-19 crisis, the Consolidated Appropriations Act (CAA 2021) signed into law on December 27, 2020 extended and expanded some charitable deduction provisions for 2021.

Here are some important aspects which may influence you and your charitable giving plans for this year.

### **If You Itemize Deductions...**

You can deduct up to 100% of your adjusted gross income (AGI) for charitable cash contributions made in 2021. Pre-COVID the limit was 60% of AGI.

Note, this expanded limitation does not apply to gifts to donor-advised funds (DAFs).

Deductions for gifts of appreciated securities (stocks, mutual funds, etc.) will still be subject to their normal limitation of 30% of adjusted gross income.

### **If You Take Standard Deductions...**

You can additionally deduct charitable cash contributions made in 2021 up to \$300 for single taxpayers or \$600 if filing jointly.

### **Appreciated Assets...**

Many asset classes are at all-time highs. Do you have long-term appreciated assets (stocks/mutual funds) or property? Consider contributing the asset to a qualified charitable organization (like The Compass Church) and receive a full fair market value charitable deduction and avoid any capital gains that would otherwise be taxed if you sold the asset yourself.

### **Qualified Charitable Distributions (QCDs) from IRAs**

If you are over age 70 1/2, you may find it wise stewardship to make tax-free charitable distributions (QCDs - Qualified Charitable Distributions) from your individual retirement accounts (IRAs), especially since tax-free distributions now will reduce future Required Minimum Distributions (RMDs) that begin at age 72. QCD contributions are limited to \$100,000 per individual per year.

***NOTE: Please consult your tax advisor or estate planning professional before taking any action. As we continue to navigate our way through these changing seasons together, rest in this - God is in control, and, the mission of The Compass Church continues to move forward with your faithful support.***

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If you would like to see specifics clarified on the IRS website you can find more information [HERE](#).