

The CARES Act allows taxpayers to deduct up to \$300 of their 2020 cash donations to qualifying organizations without itemizing deductions.

In a typical year, only taxpayers who itemize their deductions can take a deduction for charitable contributions. The itemized deduction for donations reduces taxable income after the donor's adjusted gross income (AGI) has been calculated. (Your AGI determines eligibility for various tax breaks.)

The new \$300 deduction from the CARES Act, on the other hand, is specifically **for taxpayers who don't itemize** their deductions and would typically not get any tax benefit for donations. Since it's considered an above-the-line deduction, it reduces your income prior to determining your AGI.

Simply put, if you donate to qualified organizations, your adjusted gross income will be reduced by your donation amounts – up to a total of \$300. Your church and the Southwest Conference are qualified organizations. That ultimately lowers your tax bill—and you can still claim the standard deduction.

This is a win-win since you are simply shifting up to \$300 from the government to your church, the Southwest Conference, or another qualifying charitable organization of your choice. [Check out the IRS website](#) or talk with your tax preparer for more information. Thank you for considering the Southwest Conference as you make your end-of-year donations!