

# CARES Act

## The Coronavirus Aid, Relief, and Economic Security (CARES) Act

### ***Did you know the CARES Act can help our local Church?***

***By providing key tax incentives for donors to non-profit organizations, the new legislation may encourage you to consider a financial gift to your parish, the Diocese of Metuchen or one of its entities.***

- **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.***

**See the following links for the sources referenced and for more information:**

<https://www.congress.gov/116/bills/hr748/BILLS-116hr748eas.pdf>

[Inside Charity "CARES Act for Nonprofits - What's in the Bill For Charities?"](https://insidecharity.org) <https://insidecharity.org>, 28 March 2020.

["Coronavirus Aid, Relief, and Economic Security CARES Act \(Pub. L. 116-132\). "National Council of Nonprofits", 27 March 2020](#)