



Potential Tax Benefits of Charitable Giving

While deductions probably aren't the primary reason you give, your generosity could have benefits come tax time. Here are some factors to keep in mind:

- You can deduct up to 100% of your adjusted gross income if you give cash to a public charity. The CARES Act raised this figure from the prior 60%, and this change is currently in effect through the end of 2021
- With the standard deduction much higher than it used to be - \$12,400 for single filers and \$24,800 for married couples in 2020 - bunching has become a common tax strategy. Bunching is the grouping of multiple years' worth of charitable gifts into a single year. By consolidating charitable gifts, you can accumulate enough deductible expenses to qualify for itemized deductions. You can take the standard deduction in the following year.

- Even if you don't itemize deductions, the CARES Act allows you to deduct \$300 in charitable contributions. Again, this change is currently in effect through the end of 2021.
- **How Could This Impact Your Financial Plans?**
- While Baird does not offer tax advice, it's our job to review and clarify tax legislation so our clients understand how recent changes could impact their broader financial picture. Contact a [Baird Financial Advisor](#) to learn more about how changes to the tax code could impact your charitable giving or overall financial plans.
- Baird does not provide tax or legal advice. Please consult your legal or tax professional for specific information.