

Charitable Contributions

Charitable contributions are an excellent method to reduce your tax bill in addition to supporting your favorite charities of choice and helping to support your community. There are a couple of small changes to charitable giving rules that might affect you, but if you keep in mind the various rules and limits, charitable giving can continue to play a key role in your tax planning.

The [Tax Cuts and Jobs Act](#) (TCJA) made significant changes to charitable contributions. First and foremost, it has increased the standard deduction for 2019 to \$12,200 for singles, \$18,350 for heads of household, and \$24,400 for couples married filing jointly. This could make it difficult to claim charitable donations.

If you have enough deductions to itemize or for those who are high-income earners, making charitable donations has become even more valuable. Under the TCJA, a taxpayer can take a deduction for cash charitable donations totaling up to 60 percent of your adjusted gross income (up from 50% in previous years). High-income earners no longer have a deduction limit on non-cash charitable donations.

Here are some tips for a successful Charitable Giving plan:

1. Protect yourself from donating to organizations that are not qualified. Only donate to organizations that are approved 501(c)3 charitable organizations, churches, synagogues, nonprofit volunteer fire companies and war veteran organizations. If a donation is made to a charity that isn't a qualified charitable organization, you will lose your tax deduction, regardless of the amount. Check your organization here: [IRS Exempt Organization Search tool](#)
2. Cash donations require a record clearly noting the charity name and donation date. This could be a cancelled check or credit card receipt. Donations of \$250 or more require a letter from the charitable organization, stating the organizations name, donation date, amount, and if any goods or services were received for the donation.
3. Non cash donations of \$500 or more require you to file Form 8283 Noncash Charitable Contributions, with your federal tax return.
4. Non cash donations of \$5,000 or more need a written appraisal from an independent qualified appraiser. This is not required when donating stock in a publicly traded company.
5. Track your donations and maintain a record of:
 - Items Donated
 - Donation Date
 - Original Cost
 - Fair Market Value of each item (the FMV is what a buyer would pay for your item)
6. Not Deductible:
 - Donations to Non-Qualified charitable organizations
 - Donations to individuals or families in need
 - Volunteering your time to charities (BUT you may be able to receive a deduction for any expenses incurred as a part of volunteering that are not reimbursed or paid by the charitable organization)

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