

"By nurturing the artist, we enrich the community"

105 North Union Street, Alexandria, VA 22314  
theartleague.org | 703-683-1780



Dear Art League Donor,

*What does the Coronavirus, Aid, Relief, and Economic Security (CARES) Act mean for donors?*

We're sharing with you the overview of the CARES Act's impact on charitable causes. The notes below are a guideline to help you as you consider the best way and time to support the causes you care about during this critical time.

Thank you, again, for your generous support of The Art League now, and over the years.

- ✓ The law allows an above-the-line income tax charitable deduction up to \$300 (\$600 for a married couple) even if you don't itemize your 2020 income tax return. This provision was inserted specifically to encourage charitable giving this year. The break is available to people who claim the standard deduction, which is \$12,400 for singles or \$24,800 for married-filing jointly in 2020. The prior limit for contributions was 60% of AGI, now it's up to 100% of AGI; excess contributions can still be carried forward and used in future years.
- ✓ The CARES Act affects owners of Individual Retirement Accounts (IRAs) by providing a temporary waiver of Required Minimum Distributions (RMDs) for 2020, allowing IRA owners age 72 and older to keep funds in their IRAs and other qualified retirement plans. The decreased value of their portfolios may motivate some people to keep funds in their accounts temporarily, waiting to see what happens in the investment markets. You may still make direct distributions to The Art League from your IRA, if it makes financial sense for you to do so.
- ✓ For the 2020 tax year only, donors may elect to apply a 100% of adjusted gross income (AGI) limit to cash gifts to The Art League and/or other charities you care about. Gifts to donor advised funds (DAFs) don't qualify. This means that in 2020, a donor who deducts 30% of AGI in long term appreciated property gifts and elects the 100% of AGI limit for qualified cash contributions will be able to also deduct up to 70% of AGI for qualified cash gifts, a total deduction of up to 100% of AGI. If you use all available deduction for qualified cash gifts, you will pay no federal income tax in 2020.
- ✓ Recent steps taken by the Federal Reserve Bank on federal lending rates have made certain charitable gift strategies more appealing than they have been in some time. Please let us know if you would like to learn more about how you can reduce the size of your taxable estate while planning for a transfer to heirs, all while making a sizable gift to The Art League mission (Please Use Subject header: Family Charitable Lead Trust)

Please feel free to reach out to me or Charlene Haskell, Development Officer at [charleneh@theartleague.org](mailto:charleneh@theartleague.org), with questions about our programs and plans that most interest you or to discuss those things we are doing now in response to COVID. We'd be delighted to hear from you.

Our best wishes for the safety and well being of you and your loved ones,

Suzanne Bethel  
Executive Director  
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