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***Q & A from “Almost Last Minute Charitable Planning Opportunities Under CARES, TCJA and other Legislation” Webinar, October 2020***

QUESTION	ANSWER
What's the most a tax payer can deduct in total charitable deductions against their AGI in any given year? I believe it's 50%, am I right?	This gets crazy tricky - it is 30% of AGI to a public charity if it is appreciated assets. It is 60% of AGI for cash to a public charity (but this year it is 100% under the CARES Act). To private foundations, different rules for cash or public stock. Any excess donations can be carried forward an extra 5 years as you know, so 6 years total.
Within the last several years, there was an effort by our field, championed in part by Frank Minton and I think also Conrad Teitel, to push for a law which would allow for donors to use their QCDs to fund life-income gifts - has that effort died?	No, still being pushed but getting new tax laws through at this point is likely not going to occur. But it is still being championed by CGP and ACGA.
RE: QCD's - but they're not required for 2020? Correct?	When you say QCDs, I think you mean there is no required minimum distributions (RMDs). That is true under the CARES Act but that should not impact any person who is charitably inclined anyway.
RMDs are not required in 2020. Are there any tax advantages to making a QCD to charity in 2020?	No. Purely practical advantages in terms of ease of charitable giving.
Can a 'charitable checkbook' approach be taken on an Inherited IRA as well?	Yes, if the custodian offers this option. QCDs can come from inherited IRAs.

<p>If someone inherited an IRA prior 2019 SECURE Act, and elected to stretch it.....are they grandfathered?</p>	<p>Yes. Beneficiaries who inherit before 2020 fall into the exception, allowing the “stretch.”</p>
<p>Is the \$300 per taxpayer or per tax return. There seems to be conflicting information around this.</p>	<p>Per return is what the rule appears to be.</p>
<p>What qualifies as cash? Checks, EFT's, anything else?</p>	<p>Possibly some coins (deemed national currency), but the IRS position has been somewhat inconsistent.</p>
<p>Can a taxpayer utilize a deduction generated by a cash-funded CGA towards claiming the increased 100% of AGI deduction for 2020?</p>	<p>This is an unclear item but some of the national thoughtleaders (and we would agree) think that it should since it is a gift to charity. Most believe a CRT would not qualify.</p>
<p>Could a 59.5 year old use QCD from IRA to transfer stock charity to benefit to donor advised or is it a cash withdrawal?</p>	<p>It wouldn't technically be a QCD since they are too young (under 70.5), but this example would still trigger income recognition as a withdrawal and then would have a deduction.</p>
<p>Any thoughts on CGA push by year end?</p>	<p>In volatile times, people like stability – our CGA inquiries are up in the last 90 days coming out of a nearly dead spring.</p>
<p>What is meant by single charity DAF?</p>	<p>A DAF with a single, designated charitable beneficiary.</p>
<p>A charity that operates its own DAF can qualify for the 100% deduction?</p>	<p>Probably only if the DAF had that same charity as the beneficiary, in which case there may be no reason to use the DAF structure at all.</p>
<p>How do advisors sell and get paid on Charitable Gift Annuities?</p>	<p>Generally, they don't – there's no investment management that the advisor could earn a fee from, since the charity is responsible for the investing unless the charity has hired the advisor directly as the investment manager.</p>
<p>How applicable to you think a TCRUT funded with an IRA will be to the donor community? Since most donors who fund charitable trusts have assets of \$10 million or more, my experience is that they typically have enough non-retirement assets to give for heirs and give the whole of retirement assets to charity.</p>	<p>All of that is certainly true. We believe there is some appeal for the HNW donors who want to limit the assets/cash received by heirs (similar to a spendthrift trust). But this is also why we think the TCGA will likely be a much more applicable option to a greater group.</p>

<p>The 100% AGI still only applies if you are itemizing, right?</p>	<p>Correct.</p>
<p>Even if aggregate charitable giving hasn't dropped (because of increased standard deduction and SALT limitation), might giving from the middle class have decreased? (Are mega donors keeping aggregate giving numbers up, even as many middle class middle class donors do give less because of higher standard deduction?)</p>	<p>That's certainly plausible. I haven't seen any analysis of this, but it wouldn't be surprising to see this account for at least some of the continuity in overall giving.</p>
<p>Does the increase to 100% deduction for cash giving actually help donors who could benefit from carrying a deduction over to coming years (given the graduated tax rates)?</p>	<p>It depends – just not sure what future tax rates will be of course.</p>
<p>Why do you say the 100% AGI deduction for cash "MAY" apply to QRP withdrawals for anyone over age 59.5? In what circumstances would it not apply?</p>	<p>There are state, and sometimes local income taxes, that may or may not allow a full charitable deduction.</p>
<p>Can you talk briefly about when itemized deductions are limited due to high income and how that does or doesn't affect charitable giving?</p>	<p>They aren't limited anymore. I think you are referring to the Pease limitations (phase out of itemized deductions). That was repealed.</p>
<p>Moreover, charity has to wait decades for their gift(s) and they are expensive to draft for lower net-worth donors.</p>	
<p>Don't those gifts drive up the AGI/tax bracket computations, possibly reducing the benefit somewhat, in opposition to the QCD?</p>	<p>There are other income triggers that can be impacted, but taxable income calculations come after AGI – so if income is spiked by an IRA withdrawal (non-QCD), and then if the donor itemizes the cash donation at 100%, then it should be a wash (for federal income tax deduction purposes only).</p>