

# Consolidated Appropriations Act 2021 Includes Charitable Giving Incentives

Posted by [Gary Pforzheimer](#) on December 28, 2020

Yesterday, President Trump signed into law the Consolidated Appropriations Act, 2021, which will provide \$900 billion in coronavirus relief and \$1.4 trillion to continue to fund the government. The legislation covers a lot of territory and clocks in at over 5,500 pages. Because of the delay in passage and further delay in signing, there is little time before 2020 ends for donors to ask what will be extended and what will be changed for 2021. Below is our reporting of a few key provisions in this law that will impact fundraisers and donors.

We reminded readers of the approaching expiration of important CARES Act provisions in an early November 2020 [blog](#). Among many other things, the new law extends three philanthropic provisions of the CARES Act into 2021 that are of interest to gift planners:

1. The legislation extends through the end of 2021 the CARES Act provision that increases the limitation on cash contributions to public charities in 2021 to 100% of adjusted gross income.
2. The law extends and modifies the charitable deduction available to non-itemizers for cash gifts they make to public charities. For 2021 only, the law doubles to \$600 the maximum amount joint filers may deduct. As in 2020, single filers or married filers who file separately are limited to \$300. The law also restructures the deduction: it still may be claimed only by non-itemizers, but for 2021 reduces taxable income rather than adjusted gross income.
3. The new legislation also extends for 2021 the 25% of taxable income limit that applies to contributions of cash and food inventory made by corporations to public charities.

The CARES Act suspension of the required minimum distribution from most retirement plans for 2020 does not appear to have been extended into 2021.

The full text of the bill as passed by Congress can be found on this website: <https://www.washingtonpost.com/wp-stat/graphics/BILLS-116HR133SA-RCP-116-68.pdf> See Sections 212 and 213 under *Division EE - Taxpayer Certainty And Disaster Tax Relief Act Of 2020*.

There will certainly be clarifications and technical corrections coming out in the near future. President-Elect Biden has referred to this relief package as "a good start," so stay tuned for more changes and more news cycles. We'll keep you updated.

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