

The News You Need to Know



Left to right: Andrew Woolley, Andrew Barninger, Christopher Miller, Steven Bell and Alan Loss.

The New \$300 Charitable Giving Tax Deduction for 2020

Since the tax reform bill of 2017, many people who once itemized their tax deduction now take the standard deduction. This has had a significant impact on the deductibility of contributions to charity, especially for those who used to itemize. Charitable contributions are an itemized deduction, so those who are now taking the standard deduction instead can no longer receive a tax deduction for their charitable giving. This is changing for 2020. The CARES Act has established a \$300 charitable deduction for those who are taking the standard deduction.

This means that a married couple filing jointly can deduct \$600 worth of charitable contributions. It should be noted that this new deduction can only be used for donations made in cash.

For our clients who used to track charitable giving for deduction purposes, this year is a good opportunity to do so again. For those who have always taken the standard deduction, be sure to keep a record of your charitable giving this year to make sure that you receive the full tax benefit.

REAL ID Deadline Postponed Until 2021

In response to the coronavirus pandemic, the Department of Homeland Security has postponed the deadline to obtain a REAL ID to October 1, 2021. There has been some confusion around who needs a REAL ID and what is its purpose. Let's clear this up so you can decide whether you need to keep this deadline in mind.

Beginning in October of 2021, you will need a REAL ID-compliant driver's license, photo ID, US passport or military ID to board a domestic flight. Driver's licenses that are not Real ID-compliant will no longer be an acceptable form of ID for passing airport security. However, you do not need a Real ID-compliant license simply to drive and to use as a form of ID other than at airports, military bases and other government facilities. You also



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do not need a REAL ID to vote or apply to Medicare, Social Security or other federal benefits.

To obtain a REAL ID, Pennsylvania residents must go through PennDOT. You can find more information about the process and required documentation [here](#).