


<u>Date</u>	<u>Deposit Date</u>		<u>Completed</u>
<u>Payroll Date</u> July 29 - 31 Aug 1 - 4 5 - 7 8 - 11 12 - 14 15 - 18 19 - 21 22 - 25 26 - 28 29 - Sep 1	Aug 5 7 12 14 19 21 26 28 Sept 2 4	Semi-Weekly Payroll Tax Deposits. Employers that are semi-weekly depositors generally must deposit taxes withheld and FICA taxes on payrolls paid on Wednesday, Thursday or Friday on or before the following Wednesday, and deposit taxes from payments on other days on or before the following Friday. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and third quarter.	
1		Birth Anniversary of Francis Scott Key.	
3 - 9		US Women's Amateur Golf Championship.	
4		National Coast Guard Day.	
8		National Garage Sale Day.	
9		Anniversary of President Richard M. Nixon's Resignation, 1974.	
12		Michigan sales and use tax deposit for month of July to claim early payment discount.	
17		Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during July. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and third quarter.	
17		Corporations with fiscal year ending August 31, November 30, February 28, or April 30: • Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.	
17		Corporations with fiscal year ending April 30: • Federal Income Tax Return - Form 1120. • Deposit balance of tax due electronically. Indicate Form 1120 and Balance Due on Return. • Pay accrued compensation, charitable contributions, retirement plan contributions, etc.	
17		Corporations with fiscal year ending October 31, January 31, April 30, or July 31: • Pay CIT estimate to State of Michigan.	
20		Michigan Sales, Use and Withholding Taxes Return for the month of July.	
28		Anniversary of the March On Washington. Martin Luther King, Jr.'s "I Have a Dream" speech, 1963.	
31 - Sept 13		US Tennis Open in Flushing, New York.	
31		Corporations with fiscal year ending April 30: • File CIT return and pay balance due to State of Michigan.	



JULY

SU	M	T	W	TH	F	SA
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST

SU	M	T	W	TH	F	SA
					1	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SEPTEMBER

SU	M	T	W	TH	F	SA
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		



August 2020

## **CHARITABLE GIVING AND TAXES**

With so many taxpayers experiencing financial distress due to COVID-19, 2020 charitable giving could see a decline. However, a couple items in the Coronavirus Aid, Relief, and Economic Security (CARES) Act may provide a much-needed boost.

**Increased AGI Limitations.** Individual donors have an annual cap on deductible charitable contributions based on their Adjusted Gross Income (AGI). Different types of donations see varying limitations, but in general, the most an individual taxpayer can take is 60% of AGI.

For 2020 only, charitable deduction limitations for cash donations to certain organizations are increased to 100% of AGI. This applies, at the taxpayer's election, to donations to charitable organizations other than donor advised funds, supporting organizations, or private foundations. The intent of this restriction is to get cash in the hands of charities that will use the funds now, rather than pool or defer giving.

**New Above-the-line Deduction.** Normally, taxpayers must itemize deductions (versus taking the standard deduction) to see a tax benefit from their charitable contributions. The significant increase in the standard deduction resulted in a decrease in the use of itemized deductions.

Thanks to the CARES Act, taxpayers who do not itemize can see the benefit of their donations on their tax returns. For 2020, an above-the-line deduction of up to \$ 300 per taxpayer is allowed for cash donations to public charities.

### **Traditional Charitable Giving Tax Strategies.**

In addition to the latest incentives, traditional charitable giving tax strategies still exist.

**Qualified Charitable Distribution (QCD) from an IRA.** For individuals age 70 1/2 and over, an otherwise taxable distribution of up to \$ 100,000 from an IRA can be paid directly to a charity. This is a win-win for the donor and the qualified charity. Not only does the charitable organization get a donation, but the donor does not include this amount into income or pay tax on the distribution. So, while no charitable deduction will be taken for this amount, utilizing a QCD can lower one's tax bill by keeping AGI down.

**Donate Appreciated Property.** Gifting appreciated assets is beneficial for taxpayers because a current-year itemized deduction for the fair market value of the asset is allowed (subject to the applicable AGI limitation for noncash donations) and there is no tax liability for the increase in value from original cost. Be sure to hold property such as stock for at least one year before donating. Otherwise, the deduction will be limited to the basis in the property, which is generally original cost.

Make sure to obtain an independent written appraisal to attach to the tax return if the property is valued at more than \$ 5,000. Also, complete Form 8283 (Noncash Charitable Contributions) or the entire deduction could potentially be disallowed. There are exceptions to the appraisal requirement, including donations of publicly traded stock. Donating property to charity has its quirks, so it's best to review all factors before making any large property donations.