

CARES Act: Tax Provisions

Provision of Law	How You Can Benefit	How to Get Help
<p>Charitable giving / individual incentive for non-itemizers:</p> <ul style="list-style-type: none"> • Deduction for qualified charitable contributions for those who claim the standard deduction rather than itemize deductions <ul style="list-style-type: none"> • Up to \$300 for 2020 	<p>Your donors may claim a deduction on 2020 Form 1040; you may be able to raise more funds via your development office if you let donors know how they can benefit</p>	<ul style="list-style-type: none"> • Discuss with your CBIZ Tax advisor
<p>Charitable giving / suspension of percent limitation:</p> <p>Percent of Adjusted Gross Income (AGI) percent limitation suspended for qualified contributions to most public charities. (Not applicable to non-cash donations or donations to donor-advised funds or so-called supporting organizations)</p>	<p>Major donors may have the ability to donate at levels that were limited in the past given such limits; this may create a development opportunity; taxpayer must elect on 2020 form 1040 to have the percent limitation suspension apply</p>	<ul style="list-style-type: none"> • See CBIZ COVID-19 Resource Center online

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<p>Payroll Tax Deferral:</p> <ul style="list-style-type: none">• Employers may defer payment of the employer share (6.2%) of the social security tax they would otherwise be responsible for paying for the period 3/27/20 through 12/31/20<ul style="list-style-type: none">• 50% must be repaid by 12/31/21• 50% must be repaid by 12/31/22• Not available to employers which receive loan and loan forgiveness under the SBA paycheck protection program	<ul style="list-style-type: none">• This creates a major cash flow savings opportunity and in effect an interest free loan• Communicate with payroll provider as to process to hold back such employer share of taxes• Entities will still need to accrue this as a liability, so this is not an accrual based savings	<ul style="list-style-type: none">• Discuss with your CBIZ Tax advisor• See CBIZ COVID-19 Resource Center online

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<p style="text-align: center;">Employee Retention Credit:</p> <ul style="list-style-type: none"> • Available to employers whose operations were all or partially suspended due to a COVID-19 shut-down order OR which experienced a 50% decline in gross receipts as compared to the same quarter in the prior year • Allows for a payroll tax credit for 50% of qualified wages paid to employees (up to \$10,000 of wages per person) between 3/13/20 and 12/31/20 • For entities with over 100 employees: qualified wages are wages paid to employees not working due to COVID-19 circumstances. • For entities with less than 100 employees: qualified wages are wages paid to all employees, whether or not still working • Not applicable to employers which receive a loan under the SBA paycheck protection program 	<ul style="list-style-type: none"> • This could present very large expense and cash savings in the near term for COVID impacted entities • Monitor procedural guidance from Internal Revenue Service (IRS) • Credit will be claimed quarterly on form 941 filings, allowing employers to reduce their required deposits of payroll taxes • Consider IRS form 7200 for advance payment of employer credits 	<ul style="list-style-type: none"> • See IRS News Release IR-2020-62 • See CBIZ COVID-19 Resource Center online