

# **DID THE 2018 TAX LAW INCREASE MY CHARITABLE GIVING DEDUCTIONS**

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When the new tax law was signed by President Trump most experts viewed it as a negative event for future charitable donations and deductions. The significantly increased standard deduction meant fewer taxpayers needed to file an itemized income tax return and non-itemizers would not benefit from a charitable tax deduction.

However, under the new tax law the donation of appreciated stocks, bonds or other assets still avoided capital gains taxes regardless of whether or not the donor itemizes. Individuals age 70 1/2 or older also retained the ability to make a charitable donate directly from their IRA.

While the value of a charitable deduction may have decreased for federal income tax purposes it has increased in value for state income tax purposes. Under the new tax law the deduction for state income taxes is limited to \$10,000. So while a charitable gift may not result in any reduction in state income taxes it can result in a decrease in the amount of federal income tax paid.