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## You May Still Be Able to Take a Tax Deduction for Your Charitable Contributions

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In general, Americans are very charitably inclined; and for the most part, the 2018 tax law updates did not change that. What did change is that many people went from itemizing their deductions to taking the standard deduction. While you may not be focusing on getting a tax deduction from your generosity, there are still several tax strategies that you may be able to utilize to recover this benefit.

First, consider bunching your charitable deductions. If your deductions get you close to itemizing but are not quite high enough, consider bunching your charitable contributions every other year to exceed the standard deduction and gain a tax benefit. If you want to do this but like the idea of sending smaller donations to your charities on a more regular basis, consider utilizing a charitable checking account. Offered through many community foundations, a charitable checking account allows you to fund the account (gaining a tax benefit when doing so) and then dole out funds to charities at your discretion.

Second, think about donating your Required Minimum Distribution (RMD), instead of your other income. If you are at least 70.5 years old and have an annual RMD, you can complete a Qualified Charitable Distribution (QCD) to send all or part of your RMD directly from your IRA to a charity. A QCD allows you to fulfill your IRS distribution requirement and avoid including this distribution as taxable income on your return.

Finally, consider donating appreciated assets like stocks. Individuals who have accumulated assets in non-retirement accounts can avoid paying capital gains tax (and other taxes) by donating shares of stock to charities for them to sell, rather than selling them themselves and contributing cash. There are several types of accounts and options you would want to consider as part of this planning strategy.

Charitable donations are an important part of an individual's goals and overall financial plan, and they should be analyzed as part of a comprehensive planning approach. There are many planning strategies that can be utilized, but they need to be considered at least 6-12 months before you file your tax returns and must be completed correctly.

Buckingham Advisors can assist you with these planning opportunities along with your other financial planning, investment management and business needs. Please see the Calendar of



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