

FLACDC 2018 Summit – 21st Century Communities: Where Florida's Next Generation Will Live, Work & Play

2018 Tax Laws Provisions: Impact on Nonprofits

1. Nonprofit organizations should be aware that some analysts expect provisions in the new law to reduce nationwide charitable giving by \$16B to \$19B per year.
 - For some donors, the charitable giving deduction is made up of many reasons and sources to make a gift.
 - Thus, the unavailability of the deduction may influence if, how much and where they will give.
2. The Act raises the standard deduction (initially) from \$6,350 to \$12,000 for a single individual and from \$12,700 to \$24,000 for married couples.
 - This change is expected to radically decrease the number of taxpayers who itemize – down to 6% in 2018.
 - Thus, estimates nationwide show a giving drop between \$12B to \$20B annually. *
 - There is also a projected loss of up to \$264,000 jobs across the country. *
 - 'Bunched' giving may increase where donors make many years' giving in one year.
3. For those who do itemize, an increase in charitable deduction has been approved from 50% to 60% of Adjusted Gross Income.
4. Estate tax exemption doubles to nearly \$11M for individuals and \$22M for couples.
 - This is expected to lower charitable giving by \$4B nationally. *
 - Means a donor will pay less tax for leaving or gifting money to their children. Less opportunity for nonprofits to engage in estate planning???
5. New law keeps volunteer mileage rate at .14 cents per mile, below the actual cost to drive a vehicle for nonprofit services.