

**Release Notes for PGM Anywhere**  
**Release Date: 5/5/2020**

## **Enhancements**

### **Option to include text about 100% of AGI limit in certain narratives**

Ordinarily, a donor of cash gifts to public charities is allowed to deduct these gifts up to 60% of her adjusted gross income (AGI). A provision in the CARES Act passed in late March 2020 allows donors of cash gifts in 2020 to elect to waive the 60% of AGI limit. In effect, the election allows a donor to deduct these gifts up to 100% of her AGI. Whether it makes sense to make the election depends on the donor's tax situation, as the donor may save more taxes under the 60% limit and 5-year carryforward.

Four narratives – Description and/or Example, Long Description and/or Example, Comparative Description, and Proposal Letter – allow you to include information about the applicable % of AGI limit based on the type of property given. If you indicate that you want to include this information and the property type you have selected is "Cash," you are now also asked whether you want to include a reference to the 100% of AGI limit available for cash gifts made in 2020. If you select this new question, the following sentence is added to the narrative:

"Consult your tax advisor about electing the higher 100% limit available for certain cash gifts made during 2020."

We have made this sentence optional because there is some difference in opinion as to which planned gifts are eligible for the 100% election when funded with cash. A recent Joint Committee on Taxation report states that the 100% election is not available for a charitable remainder trust (CRT) funded with cash unless the remainder in the CRT is "paid in cash to an eligible charity" in 2020. That is given as an example, so it may also apply to cash gifts to pooled income funds, which are also a form of trust. As a cash gift to fund a gift annuity is "paid in cash to an eligible charity", the JCT report would seem to support the many commentators who argue that CGAs funded with cash are eligible for the 100% election because a CGA involves a cash gift directly to the charity.

Official guidance from the IRS on this new legislation may be forthcoming. PG Calc will continue to monitor CARES Act developments.