

## **IMPACT OF 2018 TAX REFORM ON NON-PROFIT ORGANIZATIONS**

This document recaps the Tax Cuts and Jobs Act which was signed into law December of 2017. Hope this is helpful for your purposes with the understanding that non-profit organizations and donors are advised to seek professional tax planning advice if they have questions, or require further information.

### **Standard Deductions for State and Local Taxes**

- Increase in standard deductions may reduce overall giving

### **Increase in Charitable Contribution Limits**

- Increase in contribution limits might be incentive for high-income donors to give more to charities

### **Estate Tax Exemption**

- Increase in estate tax exemptions could significantly reduce incentives for people to make bequests

### **Colleges and University Endowments**

- Imposes a 1.4% excise tax on net revenues from endowments held by *private* non-profit colleges and universities

### **Tickets to College Athletic Events**

- Individuals making a contribution to a college or university, and receiving in return priority seating as equivalent to the contribution will not be allowed as a charitable deduction

### **Executive Compensation**

- Imposes a 21% excise tax on compensation above \$1 million per year