



How we can talk to our church about giving under the new tax law?

“What is the new tax plan?” The “new” tax plan was introduced in 2017, and is called the “Tax Cut and Jobs Act,” commonly referred to as the TCJA.

For churches, biggest impact of the TCJA is the tax deductibility of charitable gifts. Under the TCJA for the 2018 tax year, the standard deduction was increased to \$12,000 for singles and \$24,000 for couples; this was an increase from \$6,300 for singles and \$12,600 for couples in 2017.

“In layman’s terms, what does this mean?” By increasing the standard deduction, a significant number of people who previously itemized their deductions now file under the standard deduction. For some, there is concern that the lost tax benefit will be a deterrent in charitable support for their churches and other nonprofits.

“How do we address this within our church?” While we acknowledge that people are incentivized by charitable deductions, we have observed that giving to one’s church is driven by their faith commitment and discipleship. Ultimately, what happens in the life of your church has a greater impact on giving than anything that happens in the tax code.

“To that end, how are you communicating what is happening in your church?” Do your members know and embrace your mission? Do they regularly hear stories of how your church is changing lives? Do they have trust in your financial practices and stewardship? And does your church express gratitude for the time, talent, and treasure invested in your ministry?

In summary, while the TCJA is of consideration, what your members know and believe about your church and ministry is much more important in the conversation. How you communicate about your mission, and how you involve people on a deeper level, will ultimately have much greater impact on the support for your church than the tax code.

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