



## 100 Years of Giving Fly-In February 16, 2017

**The Charitable Giving Coalition recommends to Congress:  
Enact a Universal Charitable Deduction as part of Tax Reform in the 115<sup>th</sup> Congress.**

Charitable giving allows Americans to create, fund, and operate the institutions that are the fabric of our civil society. It supports nearly every facet of life in our communities: education, research, health services, housing and shelter, job training, arts, culture, environmental protection, historic preservation, civil rights, civic engagement and more.

### THE CHARITABLE DEDUCTION WORKS

**2017 marks the 100<sup>th</sup> anniversary of the charitable tax deduction.** This is a remarkable milestone. Now is not the time to reduce the value of America's long-standing giving tradition.

In 2015, **Americans contributed almost \$265 billion to charities**— vital organizations that continue to face tremendous demand for their services. (Giving USA)

The charitable deduction is unique, and it is good tax policy. It encourages individuals to give away more of their income, investing it in their communities

**“Every charitable gift has one thing in common: The donor is always left worse off financially, but society is made better.”**

Orin Hatch (R-UT), Chairman of the Senate Finance Committee

**“The charitable deduction is a lifeline, not a loophole,”**

Ron Wyden (D-OR), Ranking Member of the Senate Finance Committee

### ENCOURAGE MORE AMERICANS TO GIVE MORE TO CHARITY

Tax Reform should take good tax policy and make it better. Instead of enacting changes that would curtail the charitable deduction, lawmakers should strive to enhance and expand it.

A 2016 national survey of voters commissioned by Independent Sector found:

- 88% believe Congress should make it easier to deduct charitable contributions from taxes
- 79% believe that all taxpayers should be able to take advantage of the charitable deduction

## ENACT A UNIVERSAL CHARITABLE DEDUCTION

The Charitable Giving Coalition encourages Congress to enact a Universal Charitable Deduction available to all taxpayers.

Regardless of income level, all American taxpayers should receive an incentive to give to charity.

The tax incentive should not be tied to itemizing deductions – it should be available broadly to:

- Increase giving, in terms of both dollars and donors
- Increase fairness by treating all taxpayers' contributions equally
- Provide modest tax relief to middle- and lower-income taxpayers.

## LIMITATIONS ON THE CHARITABLE DEDUCTION ARE DETRIMENTAL

The Charitable Giving Coalition appreciates that an incentive for charitable giving has been a part of recent tax reform proposals and conversations.

However, these same proposals significantly reduce incentives to give and the total amount of individual contributions to charity. For example:

- The House Republican Blueprint and President Trump's tax plan propose to vastly increase the number of taxpayers who take the Standard Deduction. This vastly **DECREASES** taxpayers who itemize – from about 30% to 5%. Therefore, **the charitable deduction will not be available to 95% of taxpayers.**
- The Trump plan also places a hard cap on itemized deductions (\$100,000 individual/\$200,000 couples, joint filing).
  - The nonpartisan Tax Policy Center estimates the Trump plan would **reduce giving by 4.5 - 9%.**
  - American Enterprise Institute estimates the Trump plan could **eliminate more than \$17 BILLION in annual giving.**
- Other proposals have proposed a floor on the charitable deduction. Floors send a signal that smaller gifts are less valued – a particularly troubling message to middle- and lower-income donors.

The Congressional Budget Office indicated that a floor of 2% of Adjusted Gross Income (AGI) would **reduce annual charitable giving by \$3 billion.**

Studies from highly-regarded think tanks and universities, including *Urban-Brookings Tax Policy Center*, *Tax Foundation*, *American Enterprise Institute* and *Indiana University*, find – report after report – that charitable giving will **significantly decline** if the charitable tax deduction is limited or constrained.

The **Charitable Giving Coalition (CGC)** is a **unique, unified voice** representing a broad cross-section of nonprofit organizations from across the country. CGC is comprised of **more than 175 organizations**, including individual nonprofit organizations, large national and international charities, and several associations and umbrella groups that represent the charitable sector. Formed in 2009, CGC is **dedicated to preserving a charitable giving incentive** that ensures that our nation's charities receive the funds necessary to fulfill their essential philanthropic missions. As Congress and the Trump Administration contemplate comprehensive tax reform, the CGC remains a relevant, constructive voice.

For more information about CGC, contact Jason Lee at [AFPPresident@afpnet.org](mailto:AFPPresident@afpnet.org) or 703-684-0410.