May 27, 2014

Open letter to the House Ways and Means Committee:

As Congress moves forward with comprehensive tax reform and considers the reinstatement of provisions in the annual tax extenders package, we ask that you renew and make permanent the IRA charitable rollover and other charitable giving extenders that expired as of January 1, 2014.

Millions of individuals and families are served by the essential work of America’s public charities, which is made possible in part by the charitable giving incentives contained in the extenders package, particularly the IRA charitable rollover. Originally created by the Pension Protection Act of 2006 as a way to encourage older Americans to make gifts to charities, the IRA charitable rollover provision in the tax code allows individuals age 70½ to donate up to $100,000 to a qualifying public charity directly from his or her IRA without incurring tax on the withdrawal.

The tax benefits of the IRA charitable rollover are available to taxpayers regardless of whether they itemize their returns. In particular, this helps older Americans who may have paid off their home mortgage and no longer file itemized tax returns. The mandatory distribution from their IRA would otherwise trigger a tax burden, even if they donate the money to charity. The IRA charitable rollover provision removes these negative tax consequences and encourages Americans to give back to their communities during their lifetime.

During the first two years the IRA charitable rollover was available, it prompted more than $140 million in charitable donations, with the median gift just under $4,500. Beneficiaries included social service providers, religious organizations, cultural institutions and schools – organizations that benefit communities and improve lives every day.

Unfortunately, the IRA charitable rollover, along with the entire package of tax extenders, was allowed to expire on January 1 for the fourth time in recent years. On each of the three previous occasions, the entire package of extenders was reinstated retroactively at the end of the following year. While this may be an adequate solution for most of the provisions in the extenders package, the charitable provisions like the IRA charitable rollover are different.

The tremendous uncertainty caused for donors by lapses and subsequent reinstatement has made it extremely difficult for donors and financial advisors to plan IRA distributions and related charitable giving strategies, impeding the transfer of gifts that support much-needed services. Many of these planning discussions begin early in the tax year, and without a clear, statutory grant of authority, many donations that might otherwise have been made simply are not. Retroactive enactment is a further hollow benefit for the charitable community because mandatory IRA withdrawals taken during the year cannot be retroactively “rolled over” to a charity.
The annual extenders package includes two additional charitable giving incentives that are vital to sustaining the work of public charities. The enhanced deduction for donations of food allows individuals and organizations to reduce their taxable income by providing qualifying food inventory to certain charitable organizations. According to data collected by Food Donation Connection, donations from non-C corporation restaurants have increased 137% since the 2006 expansion of this provision to include all business donors.

Further, the enhanced deduction for donations of land conservation easements allows land owners to reduce their taxable income by permanently retiring development rights to their property for the purpose of protecting and preserving significant natural resources. A survey by the Land Trust Alliance showed that this incentive helped 1,700 land trusts increase the pace of conservation by a third – to over a million acres a year.

For all these reasons, we urge the Committee to support the immediate reinstatement of three critical giving incentives – the IRA charitable rollover and the enhanced deductions for donations of food inventory and land conservation easements. We also respectfully request that you contact Representative Schock’s office to cosponsor H.R. 4619, bipartisan legislation introduced by Representatives Schock and Blumenauer that would make permanent the IRA charitable rollover.

Thank you for your consideration,

Independent Sector
Alabama Dance Council
Alabama Forest Resources Center
Albion College
The Alhambra Orchestra
Alley Theatre
Aloha United Way
Amberwood Sanctuary, Inc.
American Alliance of Museums
American Cancer Society Cancer Action Network
American Conservatory Theater
American Friends Service Committee
American Heart Association
American Library Association
American Red Cross
American Writers Museum
Americans for the Arts
Americans for the Arts Action Fund
America’s Charities
The Arc
Argus Museum
Arizona Community Foundation
Arkansas Community Foundation
Arkansas United Way
Association for Healthcare Philanthropy
Association of Art Museum Directors
Association of Direct Response Fundraising Counsel
Association of Fundraising Professionals
Austin Music Foundation
Bethesda Lutheran Communities
BoardSource
Brenda Moore & Associates, LLC.
BrightFocus Foundation
Cactus Conservation Institute
Cadillac Area Land Conservancy
California Council of Land Trusts
California Museum of Ancient Art
Campbell & Company
Canine Partners of the Rockies, Inc.
Carolina Mountain Land Conservancy
Center for Nonprofit Excellence
Central Coast Land Conservancy
Central Pennsylvania Food Bank
The Chester Foundation, Inc.
CHKD Child Abuse Center
Cogswell Hall, Inc.
Colorado Nonprofit Association
Communities Foundation of Texas
Community Action Committee of the Lehigh Valley
Community Arts Center
Community Food Warehouse of Mercer County
Community Foundation of North Central Massachusetts
Community Foundation of St. Joseph County
Community Foundation of the Great River Bend
Community Foundation of the Lowcountry
Community Foundation of Tompkins County
Community NonProfit Committee of the Camarillo Chamber of Commerce
Connecticut Council for Philanthropy
The Conservation Fund
Corporate Volunteer Council of Atlanta
Council on Foundations
Cultural Alliance of Fairfield County (CT)
Cystic Fibrosis Foundation
Dakota Center, Inc.
The Dallas Opera
Dance/USA
Daybreak
The Dayton Foundation
DMA Nonprofit Federation
Donors Forum
East Texas Symphony Orchestra
Easter Seals
Ecology Project International
Edison Greenways Group, Inc.
Ensemble Music New Mexico / Chatter
Environmental and Energy Study Institute
Episcopal Community Services
Federation of Families for Children's Mental Health (CO)
Feeding America
Feeding America Southwest Virginia
Feeding Pennsylvania
Florida Philanthropic Network
Fort Wayne Philharmonic
Foundation for Fresno County Public Library
Foundation of the National Student Nurses Association
Fox River Trolley Association
Friends of Forman Christian College
Friends of Karen, Inc.
Friends of the Keystone Arches, Inc.
Friends of the Mitchell Gallery of Flight, Inc.
GA Campaign for Adolescent Power & Potential
Gates Mills Land Conservancy
Georgia Center for Nonprofits
Georgia Charitable Care Network
The Giving Net
Glaucoma Research Foundation
Grand Haven Area Community Foundation
Grassroots International
Greater Houston Community Foundation
Greater Pittsburgh Community Food Bank
Green Lake Lutheran Ministries
Griffin Museum of Photography
Handmade on Main
Harvesters--The Community Food Network (KS)
Harvesters--The Community Food Network (MO)
The Henry Ford
Hudson Highlands Land Trust
Hyde Hall, Inc.
iGiveMore, Inc.
Indiana Philanthropy Alliance
Infogroup
Inland Empire Railway Historical Society
Inspired to Give, Inc.
International Foundation for Autoimmune Arthritis
International Primate Protection League
Iron and Steel Museum of Alabama
Irving S. Gilmore International Keyboard Festival
jdcPartnerships
Jefferson County Farmland Protection Board
JEVS Human Services
Jewish Family Service of Los Angeles
Jewish Federations of North America
Kettle Moraine Land Trust
Kidney Cancer Association
Knoxville Opera
KSDS, Inc.
Lake/Geauga Educational Assistance Foundation
Land Trust Alliance
LeadingAge
League of American Orchestras
Let's Talk About Change
Longhopes Donkey Shelter
Lummi Island Heritage Trust
Lupus Foundation of America
Lutheran Services in America
Lutheran Women's Missionary League
Maine Coastal Habitat Foundation
Manhattan Arts Center
March of Dimes
McHenry County Historical Society & Museum
Meals on Wheels of Lehigh County
Mesothelioma Applied Research Foundation
Metro CareRing
Metropolitan Opera
Michigan Historic Preservation Network
Michigan Nonprofit Association
Midland Care, Inc.
The Miller Art Museum
MonDak Heritage Center
Mount Carmel Ministries
Museum of the American Railroad
N.C. Center for Nonprofits
National Alliance on Mental Illness (NAMI)
National Community Services, Inc.
National Council of Nonprofits
National Human Services Assembly
National Multiple Sclerosis Society
National Performance Network
National Watch and Clock Museum
National Youth Leadership Council
Native American Rights Fund
The Nature Conservancy
Naval Training Center Foundation
Neighbors Who Care, Inc.
New Hampshire Charitable Foundation
New Jersey Hospice and Palliative Care Organization
New York Asian Women's Center
Nonprofit Association of Oregon
Northwest Watershed Institute
Oberlin Heritage Center
Ohaha Family Foundation
OPERA America
Opera Memphis
Opera Philadelphia
Opera Southwest
Oregon Food Bank
Palolo Chinese Home
Parent to Parent of Georgia
Peconic Land Trust
Peninsula Open Space Trust
Pentacle
Performing Arts Alliance
Philabundance
Pioneer Center for Human Services
PolicyBridge, Inc.
Prairie Public Broadcasting
Prevent Blindness
Prevent Blindness, Ohio Affiliate
Primary Care Development Corporation (PCDC)
Prompt Direct, Inc.
Renaissance Charitable Foundation, Inc.
Renaissance, LLC.
Rochester Area Community Foundation
Rogue Valley Veterans and Community Outreach
Sacred Heart Southern Missions
The Salvation Army
Samaritan House
San Diego Youth Symphony and Conservatory
San Francisco International Music Festival
Second Harvest Food Bank of Northwest Pennsylvania
Senior Services of Southeastern Virginia
Side by Side, Inc.
Silicon Valley Community Foundation
Society of the Little Flower
South Dakota Community Foundation
Southeast Missouri Food Bank
Spinal Cord Injury Network International
Springfield Symphony Orchestra (MA)
St. Joseph's Indian School
St. Simons Land Trust
The Stanley Foundation
Stockton Symphony
Summit Land Conservancy
Theatre Communications Group
Tides
TrueTandem
The Trust for Public Land
UJA-Federation of New York, Inc.
United Cerebral Palsy of Arkansas
United Charitable Programs
United Way Fox Cities
United Way of Buffalo & Erie County
United Way of Central Louisiana
United Way of Fresno County
United Way of Massachusetts Bay and Merrimack Valley
United Way of Monterey County
United Way of North Central Massachusetts
United Way of Northern California
United Way of San Luis Obispo County
United Way of Santa Cruz County
United Way of South Central Georgia
United Way of Stanislaus County
United Way of the Bay Area
United Way Worldwide
United Ways of California
Urban Gateways
Urban Guild Policy Institute
Vermont Symphony Orchestra
VersAbility Resources
Vesterheim Norwegian-American Museum
The Viscardi Center
VisionServe Alliance
West Virginia Nonprofit Association
Western Reserve Land Conservancy
Westmoreland County Food Bank, Inc.
Williamsburg Community Foundation
Wings Over America Scholarship Foundation
WTTW | WFMT
Yeshiva Ohr Boruch
YMCA of the USA
Youth Enrichment Strategies
Zionist Organization of America