

United States Senate

FOR IMMEDIATE RELEASE
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Thune, Wyden Lead Bipartisan Group of Senators to Call for Maintaining the Charitable Tax Deduction

WASHINGTON, D.C.—U.S. Senators John Thune (R-S.D.) and Ron Wyden (D-Ore.), members of the tax-writing Senate Finance Committee, today led a bipartisan group of senators in a letter to Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Orrin Hatch (R-Utah) underscoring the importance of maintaining the charitable tax deduction as the committee considers comprehensive tax reform.

The senators write, “The charitable deduction is unique. It is the only provision that encourages taxpayers to give away a portion of their income for the benefit of others. For this reason, it is not a loophole, but a lifeline for millions of Americans in need.”

Thune and Wyden were joined by Senators Roy Blunt (R-Mo.), John Boozman (Ark.), Barbara Boxer (D-Calif.), Dan Coats (R-Ind.), Thad Cochran (R-Miss.), Susan Collins (R-Maine), Kirsten Gillibrand (D-N.Y.), Heidi Heitkamp (D-N.D.), Dean Heller (R-Nev.), Mazie Hirono (D-Hawaii), John Hoeven (R-N.D.), Jim Inhofe (R-Okla.), Tim Johnson (D-S.D.), Mark Kirk (D-Ill.), Amy Klobuchar (D-Minn.), Carl Levin (D-Mich.), Edward Markey (D-Mass.), Barbara Mikulski (D-Md.), Jerry Moran (R-Kan.), Lisa Murkowski (R-Alaska), Bill Nelson (D-Fla.), Jim Risch (R-Idaho), Pat Roberts (R-Kan.), Brian Schatz (D-Hawaii), Charles Schumer (D-N.Y.), Tim Scott (R-S.C.), Jean Shaheen (D-N.H.), Debbie Stabenow (D-Mich.), Mark Udall (D-Colo.), David Vitter (R-La.), and Roger Wicker (R-Miss.).

The text of the senators’ letter follows:

January 23, 2014

The Honorable Max Baucus, Chairman
The Honorable Orrin Hatch, Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Hatch:

We write to you to underscore the importance of protecting the full value and scope of the charitable deduction during a comprehensive rewrite of the tax code. The charitable deduction has been an important and effective part of our tax code for almost 100 years.

The charitable deduction is unique. It is the only provision that encourages taxpayers to give away a portion of their income for the benefit of others. For this reason, it is not a loophole, but a lifeline for millions of Americans in need. Analysis has repeatedly shown that proposals to cut, cap, or limit the charitable deduction could cause charitable donations to decline by billions of dollars annually. Worse yet, weakening the charitable deduction would most hurt the adults and children who receive vital charitable services from organizations like soup kitchens, after-school programs, and medical research projects, just to name a few. In many cases, the government would be required to step in and fund those services now being provided through private generosity. Accordingly, preserving the charitable deduction is also prudent as a matter of broader fiscal policy.

Indeed, charitable giving is an integral part of our society. In 2012 alone, Americans donated more than \$300 billion to charitable organizations and itemized giving accounted for nearly \$229 billion, according to Giving USA. The organizations that received those donations then leveraged their contributions through volunteers and other in-kind aid to generate \$1.1 trillion in jobs and services, employing nearly 10 percent of America's workforce.

We believe the federal government must affirm its long-standing dedication to encouraging private acts of charity and compassion, especially when our charities and the people they serve are facing so many challenges.

As you contemplate a comprehensive tax reform bill, we understand that all tax expenditures must be reviewed and considered. However, in this context, we ask that you keep our views on this important tax deduction in mind.

Sincerely,

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