

Request

We urge members of the House and Senate to:

- Cosponsor the Universal Giving Pandemic Response and Recovery Act, H.R. 1704 and S. 618, which would renew the universal charitable deduction that expired at the end of 2021. It allowed taxpayers who don't itemize deductions to deduct up to \$300 (\$600 for couples) of charitable contributions.
- Incorporate language from the Legacy IRA Act (S. 243) into retirement reform legislation, allowing seniors to make tax-free distributions to planned giving accounts as well as to charities.

Introduction

Contributions to 501(c)(3) charities such as museums are tax-deductible, incentivizing those who itemize deductions to greater generosity. Only about ten percent of taxpayers now itemize, however, and multiple measures show that both the amount given and the number of donors were declining prior to the pandemic. Giving appears to have increased during the pandemic, especially smaller gifts, due to the temporary provision that allowed people to deduct up to \$300 of charitable gifts even if they do not itemize.

Deductibility of Charitable Gifts

- Charitable giving accounts for more than one-third of museums' operating funds.
- The CARES Act established a limited and temporary deduction for non-itemizers.
- Data from various sources shows that after declining in 2019, charitable giving increased following the temporary enactment of a "universal charitable deduction" that allowed everyone to deduct.
- **A universal charitable deduction democratizes giving by incentivizing *all* taxpayers to contribute, regardless of income.**

IRA Charitable Rollover

- Individuals aged 70.5 and above may contribute up to \$100,000 from their IRA accounts to charity, counting it toward their required distribution but not paying tax on it. The Legacy IRA Act would expand this provision by allowing gifts to planned giving accounts, raising the cap to \$400,000, and lowering the age to 65.

Status

- There is stand-alone, bipartisan legislation in both the House and the Senate to renew and expand the universal charitable deduction. The Universal Giving Pandemic Response and Recovery Act, H.R. 1704 and S. 618, would extend the deduction through 2022 and would expand it from \$300 for individuals/\$600 for couples to over \$4,000 for individuals and over \$8,000 for couples.
- The House Ways and Means Committee incorporated a version of the Legacy IRA Act into a broader bipartisan retirement package, the Secure 2.0 Act. That bill is awaiting action by the full House. In the Senate, Sens. Stabenow (D-MI) and Cramer (R-ND) introduced a stand-alone bill, S. 243, and we are urging the Senate Finance Committee to incorporate provisions from it into their version of the Secure 2.0 Act. Senate Finance Committee action is expected in the near future, so this ask is timely.