Tax Policy

Request

We urge members of the House and Senate to:

- include a universal charitable deduction (UCD) in any forthcoming tax package. A UCD allows taxpayers who do not itemize to deduct charitable gifts. We also urge members to cosponsor the Charitable Act (S. 566/H.R. 3435), which would renew and expand the UCD that expired at the end of 2021.

Introduction

Contributions to 501(c)(3) charities such as museums are tax-deductible, incentivizing those who itemize deductions to give more. Only about ten percent of taxpayers now itemize deductions, however. Smaller gifts increased during the pandemic due to the enactment of the temporary UCD, which allowed taxpayers to deduct up to $300 ($600 for couples), and they have decreased since it lapsed. Moreover, the percentage of Americans who donate to charity has been on a long-term decline, sinking from two-thirds twenty years ago to under half now.

Talking Points

- Charitable giving accounts for more than one-third of museums' operating funds.

- The CARES Act of 2020 established a limited and temporary deduction for non-itemizers at the start of the pandemic. Charitable giving increased following its enactment and dropped after it expired.

- A universal charitable deduction democratizes charity by incentivizing all taxpayers to contribute, regardless of income.

- It is broadly supported across the **entire charitable sector**.

Status

- Bipartisan bills have been introduced in both the House and the Senate to renew and expand the universal charitable deduction. They would temporarily renew the deduction and expand it to nearly $4,900 for individuals and over $9,700 for couples. Both bills have equal numbers of Republican and Democratic cosponsors.

- **Senators** who wish to cosponsor should contact the offices of James Lankford (R-OK) or Chris Coons (D-DE). **Representatives** should contact the offices of Blake Moore (R-UT) or Danny Davis (D-IL).

Facts and Figures

More information on how giving increased while the universal charitable deduction was in effect, and dropped when it expired, is available **here**.