



Charitable Deduction

We believe every taxpayer should have the ability to contribute to the betterment of their communities and their country through charitable giving. A universal charitable deduction would incentivize more giving and would maximize private investment in community services.

NY Funders Alliance Charitable Deduction Policy Statement:

NY Funders Alliance supports making the charitable deduction available to all taxpayers to incentivize charitable investments in communities and causes around the nation which will foster the growth of a giving culture in America.

Approved: NY Funders Board of Directors, January 2021

Charitable tax deductions are a necessity.

Philanthropy relies on giving and the federal charitable tax deduction has helped support that model. All taxpayers should have the ability to reap the benefits of the deduction while simultaneously supporting charitable organizations.

For over 100 years the federal charitable tax deduction has allowed for a tax deduction for donations made to nonprofit organizations by taxpayers who itemize their tax returns. This has allowed for a century of private investments in services provided by charitable organizations.

As you may recall, in Congress' sweeping tax bill enacted at the end of 2017, Congress significantly narrowed the number of taxpayers who itemize their tax returns, and the sector predicted a large drop-off in charitable donations.

In March 2020, Congress enacted a temporary universal charitable deduction of

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\$300 for individuals as part of the first COVID relief package (CARES Act of 2020). This expansion of the charitable deduction was a long sought-after change the charitable sector worked very hard to cast.

In December 2020, Congress further expanded the charitable deduction to allow for a charitable deduction up to \$600 for couples. However, this temporary universal charitable deduction expires at the end of 2021. We will continue to educate and advocate for more permanent, equitable, and inclusive incentives to promote individual giving.

A permanent and increased universal charitable tax deduction would greatly impact private investment in communities because it would incentivize more taxpayers to give to charitable organizations. This would allow America's culture of giving to blossom and ensure the safeguarding of communities by the organizations that call them home.