

May 17, 2023

The Honorable Blake Moore  
United States House of Representatives  
Washington, DC 20515

The Honorable Chris Pappas  
United States House of Representatives  
Washington, DC 20515

The Honorable Michelle Steel  
United States House of Representatives  
Washington, DC 20515

The Honorable Danny K. Davis  
United States House of Representatives  
Washington, DC 20515

**RE: Endorsement of the *Charitable Act***

Dear Representatives Moore, Pappas, Steel, and Davis:

On behalf of the networks of the National Council of Nonprofits, we write to express our enthusiastic endorsement of the *Charitable Act*. The needs in our communities are far greater than the ability of governments to address alone; the *Charitable Act* would empower millions more taxpayers to help solve those challenges by donating more to the work of charitable organizations in their communities.

The number of people giving back to their communities has plummeted since 2002, when about 67% of American households made charitable contributions, to today's percentage of only half.<sup>1</sup> The 2017 Tax Cuts and Jobs Act contributed to that decline when it reduced tax filing paperwork by nearly doubling the standard deduction. By limiting which taxpayers itemized their deductions, the law's effect was to take away the tax incentive for charitable giving for all but about 12% of taxpayers. An American Enterprise Institute analysis confirms that the 2017 tax law did not generate greater charitable giving among upper-income taxpayers as predicted, but that charitable giving went down after its enactment.<sup>2</sup> Indeed, recent data show that charitable giving declined in real terms in 2022 and more than 70% of charitable nonprofit organizations anticipate that giving will decline or remain flat in 2023.<sup>3</sup>

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<sup>1</sup> See "Donor Participation" in [Giving Dashboard](#), Urban Institute, updated Dec. 2, 2022.

<sup>2</sup> [The Tax Cuts and Jobs Act and Charitable Giving by Select High-Income Households](#), American Enterprise Institute, April 2022.

<sup>3</sup> [Quarterly Fundraising Report](#), 2022 Year-to-Date Nonprofit Sector Trends, Fundraising Effectiveness Project, April, 2023; Initial analysis of more than 1,600 responses to a nationwide survey of charitable nonprofits conducted in April 2023 by the networks of the National Council of Nonprofits, initially published via [Linked In](#) and [Twitter](#).

Non-itemizer charitable deductions, as envisioned in the *Charitable Act*, create an incentive that encourages all taxpayers to get involved in their local communities by donating to ease their community's needs. The Universal Charitable Deduction, first enacted in the CARES Act of 2020 and renewed through 2021, is the most recent federal example. The IRS reported that 42.5 million households took advantage of that non-itemizer charitable deduction in 2020, generating \$10.9 billion in charitable giving that year.<sup>4</sup> Nearly a quarter of those donations came from taxpayers with adjusted gross income of less than \$30,000. Data from the Fundraising Effectiveness Project (FEP) shows an increase of 7.5% in individual gifts of \$300 – then the limit for individual taxpayers – in both 2020 and 2021, compared to 2019.<sup>5</sup> Additionally, gifts of \$600 – the limit for married filing jointly – increased 5% in 2021, compared to 2019.

The Federal Reserve's latest survey<sup>6</sup> of entities serving low- to moderate-income communities found charitable nonprofits need additional resources to meet the public's demand for services. Seventy percent of responding nonprofits reported an increase in demand for services over the past year, while only 45% said they can meet most of their demand.

Congress can help alleviate some of the funding difficulties the sector is facing by enacting the *Charitable Act*. The legislation would empower taxpayers to give back to their communities by granting a tax incentive of roughly \$4,600 for individuals/\$9,200 for couples regardless of whether they claim other itemized deductions. This would incentivize giving to the work of charitable organizations in local communities, encourage taxpayers to give more to the missions they support, and effectively reduce demands on governments.

Everybody wins when individuals give to their local community-based organizations because people will feel more invested in, engaged with, and supportive of the collective success of their neighbors and community. We thank you for your leadership in advancing this essential and timely legislation and are committed to working with you to see it enacted as quickly as possible.

Sincerely,

**National Council of Nonprofits**



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<sup>4</sup> [Individual Income Tax Returns, Preliminary Data, Tax Year 2020](#), Statistics of Income Bulletin, Internal Revenue Service, Spring 2022.

<sup>5</sup> See [The Data Show What We Know: The Nonprofit Helpers Need Help](#), Amy Silver O'Leary, National Council of Nonprofits, Nov. 23, 2021.

<sup>6</sup> [Perspectives from Main Street](#), Nishesh Chalise, Violeta Gutkowski, and Heidi Kaplin, Fed Communities, Nov. 15, 2022.

**Alaska**

**Foraker Group**



**Arizona**

**Alliance of Arizona Nonprofits +  
Arizona Grantmakers Forum**



**California**

**California Association of Nonprofits**



**Colorado**

**Colorado Nonprofit Association**



**Connecticut**

**CT Community Nonprofit Alliance**



**Delaware**

**Delaware Alliance for Nonprofit Advancement**



**Florida**

**Florida Nonprofit Alliance**



**Hawai`i**

**Hawai`i Alliance of Nonprofit Organizations**



**Idaho**

**Idaho Nonprofit Center**



**Illinois**

**Forefront**



**Iowa**

**Iowa Nonprofit Alliance**

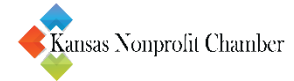


**Kansas**

**Association of Kansas Nonprofits**



**Kansas Nonprofit Chamber**



**Kentucky**

**Kentucky Nonprofit Network**



**Louisiana**

**Louisiana Alliance for Nonprofits**



**Maine**

**Maine Association of Nonprofits**



**Maryland**

**Maryland Nonprofits**



**Massachusetts**

**Massachusetts Nonprofit Network**



**Providers' Council**



**Michigan**

**Michigan Nonprofit Association**



**Minnesota**

**Minnesota Council of Nonprofits**



**Mississippi**

**Mississippi Alliance of Nonprofits and Philanthropy**



**Missouri**

**Nonprofit Connect**



**Montana**

**Montana Nonprofit Association**



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**Nonprofit Association of the Midlands**



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**New Hampshire Center for Nonprofits**



**New Jersey**

**New Jersey Center for Nonprofits**



**New Mexico**

**New Mexico Thrives**



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**New York Council of Nonprofits**



**Nonprofit New York**



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**North Dakota**

**North Dakota Association of Nonprofit Organizations**



**Oklahoma**

**Oklahoma Center for Nonprofits**



**Oregon**

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**Pennsylvania Association of Nonprofit Organizations**



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**West Virginia**

**West Virginia Nonprofit Association**



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**Wyoming**

**Wyoming Nonprofit Network**

