August 6, 2020

The Honorable Chuck Grassley
Chairman, Committee on Finance
U.S. Senate
104 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member, Committee on Finance
U.S. Senate
221 Dirksen Senate Office Building
Washington, D.C. 20510

RE: Charitable Giving Coalition Urges Inclusion of Universal Giving Pandemic Response Act and Extension of the Universal Charitable Deduction through 2021 in COVID-19 Relief Package

Dear Chairman Grassley and Ranking Member Wyden:

On behalf of the Charitable Giving Coalition (CGC), we urge you to include an increased cap on the above-the-line charitable deduction, as provided in the bipartisan Universal Giving Pandemic Response Act (S. 4032, H.R. 7324), and to extend it through 2021 in the next COVID-19 response package. The CGC is a coalition of associations representing thousands of charitable and faith-based organizations across the country.

Enhanced charitable giving incentives would encourage all Americans to give more, helping charitable and faith-based organizations continue to provide vital services to families, workers, and communities, especially those critically impacted by the novel coronavirus. As you know, nonprofits are and will remain on the front lines of supporting our communities, including the most vulnerable.

Initial data indicate that charities have already seen a drop in donations. According to the Fundraising Effectiveness Project (FEP), individual giving declined by 6 percent in the first quarter of 2020 compared to the same period in 2019, including an 11 percent decline in March 2020. FEP also found that the total number of donors declined by 5.3 percent in the first quarter of 2020 compared to 2019.

As negotiations on the final package continue, Congress can strengthen and expand the temporary, above-the-line universal charitable deduction included in the CARES Act and help reverse the decline in donors by enacting the Universal Giving Pandemic Response Act (S. 4032, H.R. 7324) and extending this proposal through 2021. This bipartisan legislation, introduced by Sens. James Lankford (R-OK), Chris Coons (D-DE), Amy Klobuchar (D-MN), Mike Lee (R-UT), Tim Scott (R-SC), and Jeanne Shaheen (D-NH) in the Senate and Reps. Mark Walker (R-NC) and Chris Pappas (D-NH) in the House, would raise the $300 cap to roughly $4,000 for individuals and $8,000 for couples. It would incentivize all American taxpayers—regardless of their income—to give more to charity, providing charities and faith-based organizations with critical resources to achieve their missions and support their workforces during these challenging times.
We recognize the challenge the Internal Revenue Service faces in administering this expanded deduction, and we have a shared interest in making sure that this proposal results in more giving to charitable and faith-based organizations. We welcome the opportunity to work with you to consider appropriate ways to ensure compliance without diminishing the effectiveness of the incentive.

Again, we urge you to include the Universal Giving Pandemic Response Act (S. 4032, H.R. 7324) and extend the universal charitable deduction through 2021 in the next COVID-19 relief package. Thank you for your leadership and commitment to America’s charitable community.

Sincerely,
Charitable Giving Coalition