

S. 618, the Universal Giving Pandemic Response and Recovery Act

Sponsored by: Senators James Lankford (OK), Chris Coons (DE), Mike Lee (UT), Jeanne Shaheen (NH), Tim Scott (SC), Amy Klobuchar (MN), Susan Collins (ME), and Catherine Cortez Masto (NV)

Over the course of the last year and a half, we've leaned on our nonprofits more than ever before, and we've seen how they continue to rise to the occasion – helping our neighbors in the toughest of times. We can better support nonprofits' work by enabling and incentivizing Americans who are able to give, to give more.

To support our charities and nonprofits, Congress enacted a \$300 charitable deduction for taxpayers who do not itemize on their tax returns for 2020 as part of the CARES Act – to encourage all taxpayers to give more to charity during these challenging times. In December of 2020, Congress, again on a bipartisan basis, acted to extend and expand this deduction – now available through 2021 and increased to \$600 for joint filers. Since these provisions have been enacted, the amount of charitable giving, especially for small gifts, has seen a significant increase.

According to the 2021 Giving USA Report, total giving reached \$471.44 billion in 2020, a 3.8% increase, when adjusted for inflation, compared to 2019.¹ Individual giving also saw an increase, up 1% when adjusted for inflation. In addition, the Fundraising Effectiveness Project's quarter 4 report for 2020 shows a more than 15% increase in the number of donors giving \$250 or less, outpacing the growth for larger donations.² While many factors can contribute to increases in giving, we know that the non-itemizer charitable deduction has encouraged and enabled more Americans to give.

Even with these increases in giving, our nonprofit community continues to feel the impact of the COVID-19 pandemic; the Center for Civil Society Studies at John Hopkins University estimates that it will take the nonprofit sector 16 months to return to pre-pandemic employment levels, with over 730,000 nonprofit jobs still lost from February 2020 through the end of May 2021.³

To expand this giving incentive and further support our nonprofits and those giving to them, Sens. Lankford, Coons, Lee, Shaheen, Tim Scott, Klobuchar, Collins, and Cortez Masto introduced the *Universal Giving Pandemic Response and Recovery Act* earlier this year. The legislation extends and expands the current charitable deduction for those that do not itemize on their tax returns, ensuring that every American that gives is able to benefit from a charitable deduction.

Specifically, the legislation would:

- Raise the current \$300/\$600 cap on the non-itemizer deduction to 1/3 of the standard deduction (roughly \$4,000 for individuals, \$8,000 for joint filers);
- Extend the availability of the deduction (which currently expires at the end of 2021) through the 2022 tax year.

Supporting organizations include: National Council of Nonprofits, Charitable Giving Coalition, The Philanthropy Roundtable, Faith & Giving, United Way Worldwide, National Philanthropic Trust, The Nonprofit Alliance, Council for Advancement and Support of Education (CASE), Alliance for Strong Families and Communities, American Red Cross, National Association of Evangelicals, Philanthropy Southwest, Council on Foundations, Independent Sector, and Association of Art Museum Directors.

Additional supporting organizations can be found here: <https://charitablegivingcoalition.org/2021/04/nonprofits-support-the-universal-giving-pandemic-response-and-recovery-act-urge-inclusion-in-next-tax-package/>

Please reach out to Julia Prus (Julia_Prus@lankford.senate.gov) with Senator Lankford or Kelsey Daniels (Kelsey_Daniels@coons.senate.gov) with Senator Coons with any questions or to join as a cosponsor.

¹ [https://philanthropy.iupui.edu/news-events/news-item/giving-usa-2021:-in-a-year-of-unprecedented-events-and-challenges,-charitable-giving-reached-a-record-\\$471.44-billion-in-2020.html?id=361](https://philanthropy.iupui.edu/news-events/news-item/giving-usa-2021:-in-a-year-of-unprecedented-events-and-challenges,-charitable-giving-reached-a-record-$471.44-billion-in-2020.html?id=361)

² <https://afpglobal.org/fepreports>

³ <http://ccss.jhu.edu/may-2021-jobs/>