

# Faith & Giving Coalition

## Talking Points: Latest Tax Reform Bills Still Harm Charitable Giving

Monday, November 20, 2017

1. Congress must still act to preserve the scope and value of the charitable deduction.
  - Despite reports to the contrary, the House and Senate Tax Reform bills' enormous negative impact on charitable giving and the charitable deduction has not been fixed.
    - The current Tax Reform bills do **NOT** preserve the deduction's existing scope and value.
  - **Some** on Capitol Hill **are claiming** no changes are needed because **the Tax Reform bills do not eliminate the charitable deduction.**
    - While this is technically true, ***it is also highly misleading.***
  - Although the deduction will be available to taxpayers who will continue to itemize, Congress's own Joint Committee on Taxation (JCT) found **the charitable deduction will NOT be available to the 95% of all taxpayers** who take the standard deduction.
  - JCT also found that **the Tax Reform bills will remove over 30 million taxpayers from the rolls of those incentivized** by the charitable deduction.
  
2. What will the negative impact of the House and Senate Tax bills be?
  - As a result, **charitable contributions will DECLINE by \$13 billion or more per year.**
    - The Tax Reform bills mean that **for 95% of all Americans the benefits and incentives of the charitable deduction will be completely ineffective.**
    - Under the Tax Reform bills, **only the wealthiest 5% of taxpayers will be able to deduct their charitable contributions.**
  - This is **a huge step toward eliminating the benefits and incentives of the charitable deduction altogether.**
    - It also is a major step toward reversing our nation's policy favoring and incentivizing charitable giving, which has been working well for over 100 years.
  - This is devastating for **our** charitable organization and organizations like ours throughout the country. [If available, mention here specific impacts on your charity or charities.]
  
3. What is the solution?
  - **The Senate and House must still take action** to correct this adverse unintended consequence on giving (which is being caused by doubling the standard deduction).
  - A growing number of Republicans and Democrats are recognizing the reality of this consequence and voicing interest in finding a fix.
  - **The solution? A universal charitable deduction for taxpayers who do not itemize.**
    - **The Universal Charitable Giving Act (S. 2123/H.R. 3988)** introduced by Sen. James Lankford (R-OK) and Rep. Mark Walker (R-NC) would allow taxpayers who do not itemize to deduct each year up to \$4,000 per individual and \$8,000 per couple once tax reform is enacted.