

Universal Charitable Giving Act Fact Sheet

Prepared by Leadership Asheville Executive Directors' Roundtable (LAEDR)

SUMMARY

Leadership Asheville Executive Directors' Roundtable and other Western North Carolina nonprofit organizations are urging federal lawmakers who represent us and our constituents to support the Universal Charitable Giving Act (H.R. 3988/S. 2123) so all taxpayers can deduct their contributions to support the vital work of nonprofit organizations.

ISSUE

The Tax Cuts and Jobs Act of 2017, enacted January 1, 2018, made substantial changes to the tax code. A key aspect of the plan is to double the standard deduction so that lower and middle income families have more income that is not taxed. Under the current system, around 70% of tax filers claim the standard deduction. Under the new code, it is estimated that 95% of tax filers will take the standard deduction rather than itemizing. According to analyses by the Joint Committee on Taxation and the Lilly School of Philanthropy at Indiana University, this may reduce giving to charitable organizations by between \$13 and \$20 billion annually.

- More than 30 million taxpayers will no longer be able to deduct their charitable gifts.
- Between 220,000 and 264,000 nonprofit jobs will be lost.
- Social service charities – the most critical safety net providers – will be impacted the most, with research suggesting their donors to be twice as sensitive to changes in the deductibility of charitable donations compared to other charities. Source: Duquette, University of Southern California

SOLUTION

The Universal Charitable Giving Act (H.R.3922/S.2123)

The Universal Charitable Giving Act incentivizes charitable giving for low and middle income taxpayers. It would not only help individuals and families who would likely stop itemizing their deductions under the new tax plan, but would also encourage taxpayers who already claim the standard deduction to give the charities and causes they believe in. Source: Rep. Mark Walker

- The chief sponsors are Rep. Mark Walker (R. NC) and Sen. James Lankford (R. OK).
- Non-itemizers would be able to deduct charitable contributions up to 1/3 of the standard deduction.

THE IMPACT OF THE NONPROFIT SECTOR IN NORTH CAROLINA

- Nonprofits employ 400,000 people (1 in 10 NC jobs)
- The direct economic impact of the nonprofit sector is \$42.5 billion
 - \$15 billion in wages

CALL TO ACTION

On behalf of WNC nonprofits and those we serve, we respectfully urge Senators Burr and Tillis and Representatives McHenry and Meadows to support the Universal Charitable Giving Act.

We call upon Western North Carolina nonprofit organizations to engage staff, board, donors, and constituents to contact our United States Senators and Representatives to advocate for swift passage of this critical legislation.

1. Do you have staff, board members, donors or supporters who have relationships with North Carolina Senators Burr or Tillis or Representatives Meadows or McHenry?
 - a. If so, provide them with information regarding the Universal Charitable Giving Act and urge them to contact those representatives to advocate for the legislation.
2. Educate your constituencies about the issue and the legislation and urge them to contact their federal lawmakers to advocate for the legislation.

To Find Out If You Are Registered to Vote, Which Districts You Are In, and Where to Vote:

<https://vt.ncsbe.gov/RegLkup/>

DIRECTORY OF FEDERAL OFFICIALS

Senator Richard Burr (R)

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Senator Thom Tillis (R)

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U.S. REPRESENTATIVE (DIST 10)

Patrick McHenry (R)

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U.S. REPRESENTATIVE (DIST 11)

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