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Description automatically generated **Universal Giving Pandemic Response and Recovery Act**

The Universal Giving Pandemic Response and Recovery Act, S. 618 and H.R. 1704, which would expand the current universal charitable deduction, was introduced in Congress in March 2021 by a bipartisan group of lawmakers.

The bill would increase the cap on the temporary universal charitable deduction (UCD) from $300/$600 to one-third of the standard deduction, roughly $4,000 for individuals and $8,000 for joint filers. It would also extend the availability of the deduction through 2022, and it would allow gifts to donor-advised funds (which the current version prohibits).

The Universal Giving Pandemic Response and Recovery Act is the second iteration of a bill originally introduced by Sens. Lankford (R-OK), Coons (D-DE), Scott (R-SC), Klobuchar (D-MN), Lee (R-UT), Shaheen (D-NH) in the Seante, and by Rep. Pappas (D-NH) and former Rep. Walker (R-NC) in the 116th Congress. This group of Senators and Rep. Pappas are joined in 2021 by Sens. Collins (R-ME) and Cortez Masto (D-NV) and Rep. Walorski (R-IN).

**Charitable Giving Has Increased Since Enactment of Universal Charitable Deduction**

Since March 2020, when Congress enacted a $300 charitable deduction for cash gifts from nonitemizers for 2020, charitable giving – especially of gifts less than the $300 cap – has increased significantly.

According to AFP’s Fundraising Effectiveness Project, on December 31, 2020, there was a 28% increase of $300 gifts, which is exactly the maximum amount a donor can take using the universal charitable deduction. Plus, small-level gifts of $250 or less increased by more than 15% throughout the year compared to 2019. There are many factors that contribute to increased donations, one contributing factor is the availability of the charitable deduction to nonitemizers.

**The Charitable Deduction Works**

Generous Americans have given more than $400 billion annually for the past 10 years. Charitable dollars are essential to maintaining a healthy civil society, vital to both nonprofit charities and local governments that depend on these resources to achieve their critical missions.

The charitable deduction is good tax policy – it encourages individuals to give away more of their income, devoting it to their community’s needs rather than their own. A simple calculation shows that those in need receive $2.50 in benefit for every $1 of tax benefit. This is an impressive return on investment.

**Congress Should Enact the Universal Giving Pandemic Response and Recovery Act**

Congress can do more to make giving incentives fair for all taxpayers and to strengthen and expand this incentive. This will help charitable organizations achieve their missions and support their workforces and communities as our nation recovers from the current and future crises. In addition, the Center for Civil Society Studies at John Hopkins University estimates around 930,000 jobs—7.3% of the charitable sector workforce—were lost in 2020, underscoring how difficult the year was for the philanthropic sector.

This legislation will democratize giving by further incentivizing all American taxpayers—regardless of their income—to give to charity, thereby ensuring that our country retains a strong and independent civil society. And it will provide needed resources for charitable and faith-based organizations to continue providing vital services to families, workers, and communities, especially those critically impacted by the ongoing pandemic.

**Please cosponsor the Universal Giving Pandemic Response and Recovery Act and push for its enactment!**