

Charitable Act ([S.317/H.R.801](#))

For more information, contact the Council's Government Affairs team at govt@cof.org

The Issue

While the tax code incentivizes charitable giving for some taxpayers, the 91% of Americans who do not itemize their taxes are unable to benefit from the charitable deduction. This bipartisan legislation would create a temporary charitable deduction for nonitemizers set at one-third the standard deduction for the 2026 and 2027 tax years. This legislation would recognize all Americans for their charitable giving and would incentivize additional giving at a time when nonprofits desperately need it.

Impact on Nonprofits

As nonprofits continue work daily to fulfill their missions and respond to the compounding crises of recent years while struggling to keep their own doors open, Congress must do more to encourage all Americans to give what they can. This legislation could provide additional critical resources for communities that desperately need them.

The charitable deduction is a key mechanism for incentivizing charitable giving: in 2020, Congress passed a temporary charitable deduction for nonitemizers as part of COVID-19 relief legislation. Individual gifts of \$300, the exact amount of the temporary deduction, increased by 7.5% in both 2020 and 2021. By reinstituting the charitable deduction for nonitemizers and increasing it to one-third the standard deduction, S.317/H.R.801 could open the doors for billions of dollars to flow into the communities that need them most.

Council on Foundations Position

The Council supports expanding charitable giving by enacting policies that encourage more individuals to donate and fairly recognize all who contribute to nonprofit organizations. **The Council strongly supports this bill.**

Bill Summary

Introduced in the Senate by Sen. James Lankford (R-OK) and Sen. Chris Coons (D-DE) and in the House by Rep. Blake Moore (R-UT) and Rep. Danny Davis (D-IL), the Charitable Act would:

- Create a charitable deduction for nonitemizers capped at one-third the standard deduction for 2026 and 2027.
- Include contributions made to donor-advised funds.