



ERLC Supports the Universal Giving Pandemic Response Act

Southern Baptists affirm tax policies that incentivize charitable giving. Both families and governments hold an interest in charitable giving so that the voluntary sector of our nation realizes its fullest potential. The institutions of a healthy civil society—houses of worship, poverty relief, education, the arts, and more—depend on charitable giving. Therefore, we object to any tax policy that would have a chilling effect on charitable giving.

The ERLC affirms that churches, nonprofits, and the services they provide are integral to a functioning and flourishing society. During the COVID-19 crisis, their aid is in need now more than ever. When the devastating economic effects of the COVID-19 pandemic began to take hold in March 2020, many nonprofits and houses of worship were on the frontlines of serving our nation's most vulnerable, and providing hope and community to people who are searching for meaning during this difficult time.

The Tax Cuts and Jobs Act of 2017 doubled the standard deduction, which means that most Americans no longer itemize their deductions. Under the federal tax code, people can only claim a deduction for charitable contributions if they itemize their deductions. Since the amount of people who itemize deductions has shrunk, many nonprofits are concerned there would be a drop in donations, because of the lack of incentive to give. The Charitable Deduction is the only deduction for which the taxpayer receives no other material benefit (compared with the mortgage interest deduction or tuition deduction).

The bipartisan Universal Giving Pandemic Response Act would make available, for tax years 2019 and 2020, an above-the-line deduction for charitable giving on federal income taxes valued at up to one-third of the standard deduction. This expands the current above-the-line deduction for charitable giving made available by the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March. Individuals who have filed their 2019 tax returns without itemizing deductions may file an amended return to be eligible for the benefits provided by the Act.

The economic impacts of COVID-19 will be dramatic across all sectors of our economy, which will in turn impact charitable contributions to nonprofit organizations. Without dramatic action, many of these nonprofits will forever close their doors. **The ERLC strongly urges Congress to swiftly pass the bipartisan Universal Giving Pandemic Response Act to provide much needed financial relief to the charitable sector, and houses of worship.**