

# ISSUE PAPER

## America Gives More Act of 2015

### Position

The Council strongly supports the provisions included in the America Gives More Act of 2015.

A permanent extension of these valuable giving incentives would eliminate the tremendous uncertainty caused by frequent lapses and subsequent extensions, which have made it especially challenging for donors to plan their charitable gifts in advance. Simplification of the private foundation excise tax will alleviate the burden of the complex, two-tier rate and free up more dollars for charitable causes.

### H.R. 644

#### Sponsor:

Representative Tom Reed (R-NY-23)

*\*See reverse for complete list of House cosponsors.*

### How You Can Support Philanthropy (Ask):

Urge your colleagues in the Senate to consider H.R. 644 for a vote as soon as possible. This bill passed the full House of Representatives on February 12, 2015.

For more information, contact the Council's Public Policy and Legal Affairs Department at [govt@cof.org](mailto:govt@cof.org)

### Background

The provisions of the America Gives More Act were packaged into one bill during the 113<sup>th</sup> Congress. The bill first passed the House as the America Gives More Act of 2014 (H.R. 4719) on July 17, 2014. It was placed on the Senate's legislative calendar but never voted on by the Senate.

In February 2015 the House Ways and Means Committee took up the provisions that were included in the America Gives More Act of 2014 individually. After being passed out of committee these same provisions were packaged into the America Gives More Act of 2015 (H.R. 644).

H.R. 644 was passed by the House on February 12, 2015. The bill has yet to be taken up by the Senate.

### Proposal

H.R. 644 includes four provisions:

- Making permanent the IRA Charitable Rollover;
- Simplifying the Private Foundation Excise Tax to a flat rate of one percent;
- Making permanent and enhancing the charitable deduction for gifts of conservation easements; and,
- Making permanent and enhancing the charitable deduction for contributions of food inventory.

### Rationale

**Provide Certainty to Donors and Nonprofits.** The persistent uncertainty created by repeated expirations and reinstatements of the IRA charitable rollover, the enhanced deduction for gifts of conservation easements, and the enhanced deduction for contributions of food inventory make it challenging for donors and organizations alike to plan for the timing of charitable gifts in advance. This uncertainty means that critical donations will be delayed indefinitely or not made at all, depriving communities of invaluable charitable dollars.

**Tax Simplification and Removal of Giving Disincentive.** The simplification of the complex excise tax on private foundations will ease the administrative burden it creates for foundations. It will also prevent a foundation from being penalized after increasing the giving due to an extraordinary event, such as Superstorm Sandy or the September 11 terror attacks.

## **Opposition**

Lawmakers have not provided a rationale for voting against the policies in the America Gives More Act of 2015. In fact, many individual members of Congress, including those in leadership positions, spoke out in favor of these charitable provisions when the House of Representatives took up the America Gives More Act in 2014 and early 2015. We are encouraged by the strong support for these giving incentives that we are seeing on the Hill.

However, some congressional Democrats and the Obama White House have expressed opposition to making these provisions permanent on the grounds that the bills that have been introduced to date have not included spending offsets—meaning the bills are not paid for by spending cuts elsewhere. They have also expressed concern that these provisions should be considered within the context of a comprehensive tax reform bill. The White House issued a Statement of Administration Policy (SAP) on H.R. 644, which stated that if this bill was sent to the President, he would veto it for this reason.

## **House Cosponsors**

- Rep. Patrick Tiberi (R-OH-12)
- Rep. Aaron Schock (R-IL-18)
- Rep. Ryan Costello (R-PA-6)
- Rep. Mike Kelly (R-PA-3)
- Rep. Christopher Gibson (R-NY-19)
- Rep. Erik Paulsen (R-MN-3)
- Rep. Devin Nunes (R-CA-22)