



March 20, 2014

Open letter to all Senators:

I am writing to you today to express the Council on Foundations' strong support for the Public Good IRA Rollover Act of 2013 (S. 1772), introduced by Senator Schumer and co-sponsored by Senator Collins, Senator Johnson, Senator Levin, Senator Pryor and Senator Gillibrand. The Council asks Congress to extend the IRA charitable rollover permanently and enhance this incentive to help donors and grantmakers maximize the value of IRA charitable donations.

Originally created by the Pension Protection Act of 2006 as a way to encourage older Americans to make gifts to charities, the IRA charitable rollover provision allows individuals age 70½ and up to donate up to \$100,000 to a qualifying public charity directly from an IRA without incurring tax on the withdrawal. This benefit is available to all taxpayers, regardless of whether they itemize their deductions. Without the rollover provision, a mandatory distribution from an IRA would trigger a tax burden, even if a taxpayer donates the money to charity and receives no individual benefit. The rollover removes this negative tax consequence—encouraging Americans to invest in charitable causes and organizations that they care about. Unfortunately, the IRA charitable rollover expired at the end of 2013 and has not been renewed by Congress.

Senator Schumer's Public Good IRA Rollover Act of 2013 would permanently extend the IRA charitable rollover incentive. A permanent extension would eliminate the tremendous uncertainty caused by frequent lapses and subsequent extensions, which have made it especially challenging for donors to plan IRA distributions and charitable giving in advance. The bill would also enhance the value of the rollover by eliminating the \$100,000 cap, allowing donors to make rollovers beginning at age 59 ½, and permitting rollovers to donor-advised funds, supporting organizations, and private foundations.

We urge the Senate to support this bill or any extension or expansion of the IRA charitable rollover that is included in a tax extenders package, so that our members can continue to serve their communities and provide vital services to your constituents.

Sincerely,

Vikki Spruill  
President and CEO