

# United States Senate

WASHINGTON, DC 20510

January 23, 2014

The Honorable Max Baucus, Chairman  
The Honorable Orrin Hatch, Ranking Member  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Hatch:

We write to you to underscore the importance of protecting the full value and scope of the charitable deduction during a comprehensive rewrite of the tax code. The charitable deduction has been an important and effective part of our tax code for almost 100 years.

The charitable deduction is unique. It is the only provision that encourages taxpayers to give away a portion of their income for the benefit of others. For this reason, it is not a loophole, but a lifeline for millions of Americans in need. Analysis has repeatedly shown that proposals to cut, cap, or limit the charitable deduction could cause charitable donations to decline by billions of dollars annually. Worse yet, weakening the charitable deduction would most hurt the adults and children who receive vital charitable services from organizations like soup kitchens, after-school programs, and medical research projects, just to name a few. In many cases, the government would be required to step in and fund those services now being provided through private generosity. Accordingly, preserving the charitable deduction is also prudent as a matter of broader fiscal policy.

Indeed, charitable giving is an integral part of our society. In 2012 alone, Americans donated more than \$300 billion to charitable organizations and itemized giving accounted for nearly \$229 billion, according to Giving USA. The organizations that received those donations then leveraged their contributions through volunteers and other in-kind aid to generate \$1.1 trillion in jobs and services, employing nearly 10 percent of America's workforce.

We believe the federal government must affirm its long-standing dedication to encouraging private acts of charity and compassion, especially when our charities and the people they serve are facing so many challenges.

As you contemplate a comprehensive tax reform bill, we understand that all tax expenditures must be reviewed and considered. However, in this context, we ask that you keep our views on this important tax deduction in mind.

Sincerely,

Ron Wyden

John Thune

Rebbie Stabenow

Ray Bennett

Chuck Sch

Joe Neuharth

Bill Nelson

Clara Kim

Amy Klobuchar

Pat Roberts

Edward J. Markey

John Bozeman

Brian Schatz

Tom Harkin

Kirsten Gillibrand

Lloyd Hicken

Barbara Mikulski

John H. Sununu

Duke J. Ahearn

Susan Collins

Jim Johnson

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Carl Linn

Jerry Moran

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Dan Vilter

Marl Udell

Dan Coats

Heidi Heitkamp

James M. Cooper

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