



November 30, 2017

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
S-230 The Capitol  
Washington, DC 20510

The Honorable Charles Schumer  
Minority Leader  
U.S. Senate  
S-221 The Capitol  
Washington, DC 20510

The Honorable Orrin Hatch  
Chairman  
U.S. Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Ron Wyden  
Ranking Member  
U.S. Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510

Dear Leaders McConnell and Schumer, Chairman Hatch and Ranking Member Wyden,

The Council for Advancement and Support of Education and the undersigned education associations write to urge you to support Senator Lankford's charitable giving amendment (#1593) to H.R. 1, the Senate version of the Tax Cuts and Jobs Act.

For the past 100 years, U.S. tax policy, through the charitable deduction, has encouraged individuals to make philanthropic gifts to colleges, universities and independent schools. According to the Council for Aid to Education, donors contributed \$41 billion to U.S. colleges and universities in 2016.<sup>i</sup> These gifts support student scholarships, research, faculty, facilities and other programs that help educational institutions achieve their missions.

Currently, the charitable deduction is only available to the roughly 30 percent of U.S. taxpayers who itemize their tax returns. While H.R. 1 preserves the charitable deduction, the doubling of the standard deduction in the legislation would result in only 5 percent of U.S. taxpayers choosing to itemize their tax returns. *The result would be the effective elimination of the charitable deduction for 95 percent of American taxpayers and a decline in charitable giving to educational institutions and other charitable organizations.*

This change would put billions of dollars of charitable giving at risk. A recent estimate by the Joint Committee on Taxation confirmed that doubling the standard deduction will dramatically reduce the number of taxpayers who benefit from the charitable deduction and reduce the amount of charitable gifts that taxpayers deduct by nearly \$100 billion. Another recent study commissioned by Independent Sector and conducted by Indiana University's Lilly Family School of Philanthropy found that current tax reform proposals would result in a \$13.1 billion decline in giving.<sup>ii</sup> Still another study by the nonpartisan Tax Policy Center projects H.R. 1 would lead to a \$12 billion to \$20 billion decline in charitable giving in 2018.<sup>iii</sup> Educational institutions and the students they serve will feel the brunt of these declines if lawmakers fail to preserve the full value of the charitable deduction.

Senators can address this projected decline in giving by adopting an amendment filed by Senator James Lankford that would allow non-itemizing taxpayers to deduct charitable gifts up to one-third of the standard deduction threshold. If the amendment is adopted, it would allow all non-itemizing individual taxpayers to deduct up to \$4,000 in charitable gifts (\$8,000 for couples). Inclusion of the amendment would help address the negative impact doubling the standard deduction has on charitable giving while ensuring that all American taxpayers benefit from the charitable deduction.

Again, we strongly urge you to support Senator Lankford's charitable giving amendment to H.R. 1. The overall goal of our tax policy should be to encourage all individuals and families, regardless of income, to give more to educational institutions and other charitable organizations.

Sincerely,



Sue Cunningham  
President and CEO

On behalf of:

American Association of Community Colleges  
American Association of State Colleges and Universities  
American Council on Education  
Association of American Medical Colleges  
Association of American Universities  
Association of Governing Boards of Universities and Colleges  
Council for Christian Colleges and Universities  
Council of Graduate Schools  
EDUCAUSE  
Hispanic Association of Colleges and Universities  
National Association of College and University Business Officers  
National Association of Independent Colleges and Universities  
Thurgood Marshall College Fund

About CASE: The Council for Advancement and Support of Education is the professional organization for advancement professionals who work in alumni relations, communications, fundraising, marketing and related areas. CASE's membership includes more than 3,600 colleges, universities, independent elementary and secondary schools, and educational associates in 82 countries around the world. CASE helps its members build stronger relationships with their alumni and donors, raise funds for campus projects, produce recruitment materials, market their institutions to prospective students, diversify the profession, and foster public support of education.

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<sup>i</sup> 2016 Council for Aid to Education Voluntary Support of Education Survey, <http://cae.org/images/uploads/pdf/VSE-2016-Press-Release.pdf>.

<sup>ii</sup> *Tax Policy and Charitable Giving*, Independent Sector and Indiana University's Lilly Family School of Philanthropy, May 2017 <http://www.independentsector.org/wp-content/uploads/2017/05/tax-policy-charitable-giving-finalmay2017-1.pdf>

<sup>iii</sup> *The House Tax Bill is Not Very Charitable to Nonprofits* Tax Policy Center, Nov. 15, 2017 <http://www.taxpolicycenter.org/taxvox/house-tax-bill-not-very-charitable-nonprofits>