

Charitable Giving Incentives

May 2025

The National Council of Nonprofits (NCN) supports the Charitable Act to create a tax incentive to encourage donations to charitable organizations. Charitable nonprofits experience growing demand for their services, yet costs continue to rise due to inflation while private donations and the number of donors declined. Community needs are far greater than the ability of governments to address alone. Congress should empower millions more taxpayers to help solve these challenges by enacting tax incentives that encourage donations to support the work of charitable organizations in local communities.

The Challenge

During the pandemic, Congress created a non-itemizer tax deduction for charitable giving, which resulted in an all-time, inflation-adjusted high for donations in 2021. Since then, the non-itemizer deduction expired, and charitable giving has suffered a significant decline. In 2022, charitable giving decreased by 13.4%, adjusted for inflation, which was the largest recorded year-after-year drop in individual donations.¹ In 2023, total giving declined by 2.1%, compared to 2022 when adjusted for inflation.² The number of people giving back to their communities has plummeted since 2002, when two in three (67%) American households made charitable contributions; today half of Americans donate.³ While charitable giving has declined, inflation has eroded the ability of nonprofit organizations to afford their existing levels of operations, much less expand them to meet the growing need.⁴ Without a change in policy, these trends will continue to weaken the ability of charitable organizations to serve their communities.

The Charitable Act

([H.R. 801](#)/[S.317](#))

- Provides a tax incentive of roughly \$4,500/individual and \$9,000/couple, regardless of whether the tax filer claims an itemized deduction.
- Empowers taxpayers to give back to their community. A previous non-itemizer deduction offered during the pandemic resulted in 90 million tax returns utilizing the deduction.
- Increases charitable giving and lowers taxes for households making between \$30,000 and \$100,000.

¹ [Giving USA](#), Indiana University Lilly Family School of Philanthropy, June 20, 2023.

² [Giving USA](#), Indiana University Lilly Family School of Philanthropy, June 25, 2024.

³ See “Donor Participation” in [Giving Dashboard](#), Urban Institute, updated Dec. 2, 2022.

⁴ [Consumer Price Index News Release](#), U.S. Bureau of Labor Statistics, accessed May 5, 2025.

Call To Action

Congress can help alleviate some funding difficulties the nonprofit sector is facing by enacting the **Charitable Act**. The legislation would empower taxpayers to give back to their communities by granting a tax incentive of roughly \$4,500 for individuals/\$9,000 for couples, regardless of whether they claim other itemized deductions. This would incentivize greater giving to the work of nonprofits in communities, encourage taxpayers to give more to the missions they support, and effectively reduce demands on governments.

NCN urges members of Congress to cosponsor the bipartisan Charitable Act ([H.R. 801](#)/[S.317](#))

and to ensure the bill is included in any tax reconciliation package moving through Congress.

Sponsors and Cosponsors

Alphabetical by state; Sponsor in bold; Orig. Cosponsors*

H.R. 801

Moore, Blake D. (R-UT-1)*

Pappas, Chris (D-NH-1)*

Miller, Carol D. (R-WV-1)*

Davis, Danny K. (D-IL-7)*

Figures, Shomari (D-AL-2)

Rogers, Mike D. (R-AL-3)

Sewell, Terri (D-AL-7)

Ciscomani, Juan (R-AZ-6)

Panetta, Jimmy (D-CA-10)

Neguse, Joe (D-CO-2)

Pettersen, Brittany (D-CO-7)

Evans, Gabe (R-CO-8)

Norton, Eleanor Holmes (D-DC)

Carter, Earl (R-GA-1)

Ramirez, Delia (D-IL-3)

Schneider, Bradley Scott (D-IL-10)

Bost, Mike (R-IL-12)

LaHood, Darin (R-IL-16)

Sorensen, Eric (D-IL-17)

Mann, Tracey (R-KS-1)

Gurthrie, Brett (R-KY-2)

McGarvey, Morgan (D-KY-3)

Barr, Andy (R-KY-6)

Higgins, Clay (R-LA-3)

Harris, Andy (R-MD-1)

Scholten, Hillary J. (D-MI-3)

Thanedar, Shri (D-MI-13)

Morrison, Kelly (D-MN-3)

Cleaver, Emanuel (D-MO-5)

Kean, Thomas (R-NJ-7)

Stansbury, Melanie (D-NM-1)

Garbarino, Andrew R. (R-NY-2)

Lawler, Michael (R-NY-17)

Riley, Josh (D-NY-19)

Langworthy, Nicholas (R-NY-23)

Tenney, Claudia (R-NY-24)

Morelle, Joseph (D-NY025)

Davis, Donald (D-NC-1)

Carey, Mike (R-OH-15)

Turner, Michael (R-OH-10)

Cole, Tom (R-OK-4)

Bice, Stephanie I. (R-OK-5)

Bynum, Janelle (D-OR-5)

Fitzpatrick, Brian (R-PA-1)

Thompson, Glenn (R-PA-15)

Kelly, Mike (R-PA-16)

S. 317

Lankford, James (R-OK)

Britt, Katie Boyd (R-AL)*

Boozman, John (R-AR)

Hickenlooper, John W. (D-CO)*

Coons, Christopher A. (D-DE)*

Warnock, Raphael G. (D-GA)*

Moran, Jerry (R-KS)*

Collins, Susan M. (R-ME)*

Peters, Gary C. (D-MI)*

Klobuchar, Amy (D-MN)*

Wicker, Roger F. (R-MS)*

Ricketts, Pete (R-NE)*

Cortez Masto, Catherine (D-NV)*

Rosen, Jacky (D-NV)*

Shaheen, Jeanne (D-NH)*

Hassan, Margaret (D-NH)

Lujan, Ben Ray (D-NM)*

Budd, Ted (R-NC)*

Scott, Tim (R-SC)*

Blackburn, Marsha (R-TN)*

Curtis, John (R-UT)*

Justice, James (R-WV)

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