



**Senate Finance Committee Hearing: Examining Charitable Giving and Trends in the Nonprofit Sector  
March 17, 2022**

**Philanthropy Colorado urges Congress to make charitable giving incentives available to all**

Thank you for the opportunity to submit a statement to be included in the record for the Senate Finance Committee Hearing: Examining Charitable Giving and Trends in the Nonprofit Sector, held on March 17, 2022.

Philanthropy Colorado leads and serves the diverse network of more than 100 charitable foundations and organizations investing in nonprofits across our state. These nonprofits provide critical services and create jobs as they strive to achieve their missions. We join with others in urging Congress to ensure all taxpayers have access to incentives for giving generously to nonprofits working on behalf of communities throughout Colorado and beyond.

Colorado-based foundations provide more than \$1 billion annually to support charitable organizations and the people and causes they serve – everything from education to health to basic needs. While foundations provide critical financial resources to these nonprofits, individuals have historically given an even greater amount – more than \$5 billion a year in Colorado according to IRS data we tracked before the passage of the 2017 federal tax law reduced the pool of itemizing taxpayers.

We urge you to restore and expand the recently expired “above-the-line” charitable deduction for the almost 90% of taxpayers who now take the higher standard deduction instead of itemizing on their returns. Making these taxpayers eligible for even a small temporary deduction for donations made during the pandemic had a measurable impact on giving by less wealthy households. According to data collected by our national partners in the Charitable Giving Coalition, small donations jumped significantly when this tax break was announced in 2020.

While many factors contribute to generosity, tax breaks have long provided an important motivation for giving at every level. A charitable giving incentive for non-itemizers will engage a broader range of donors and help them establish a pattern of giving that is likely to continue. The tax deduction is particularly important at this time when the need for nonprofit services has surged. We urge you to support policies that encourage charitable giving long into the future.

Thank you for considering our comments. Please let us know if you have any questions.

Joanne Kelley, Chief Executive Officer

Philanthropy Colorado, 5855 Wadsworth Bypass, Unit A, Arvada, CO 80003