

Recent Press Releases

Thune, Casey Reintroduce Bill to Encourage Year-Round Charitable Giving

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WASHINGTON — U.S. Sens. John Thune (R-S.D.) and Bob Casey (D-Pa.), both members of the tax-writing Senate Finance Committee, today reintroduced the Charities Helping Americans Regularly Throughout the Year (CHARITY) Act, a bill that would encourage charitable giving and make it easier for foundations and other tax-exempt organizations to conduct their charitable mission. The CHARITY Act ([S. 1475](#)) builds on several significant Thune-and-Casey-supported charitable tax provisions that were signed into law the previous two Congresses, including one that makes permanent a law allowing taxpayers at least 70-and-a-half-years old to make charitable contributions directly from their IRAs. Thune and Casey introduced similar legislation last Congress.

“Carrying out charitable missions should in no way be a challenge for folks,” **said Thune**. “Our CHARITY Act would remove many of the unnecessary roadblocks that currently stand in the way of philanthropic giving and encourage more Americans to donate to charitable organizations. This legislation serves as a perennial vehicle for common-sense ideas to promote charitable giving, and I’m hopeful our latest version of this important, bipartisan bill will quickly make its way to the president’s desk to be signed into law.”

“The bipartisan CHARITY Act will make it simpler for more Americans to support worthy charitable causes,” **said Casey**. “Charities across the nation, and in Pennsylvania, are doing important work that positively impacts our communities. This legislation will help these organizations to continue and hopefully expand their charitable endeavors.”

The CHARITY Act would:

- Make donor-advised funds an eligible charity for purposes of the IRA rollover law that permits an IRA owner at least 70-and-a-half-years old to exclude from his or her gross income up to \$100,000 per year in distributions made directly from the IRA to certain public charities.
- Simplify how foundations are required to calculate the federal excise tax imposed on investment income.

- Require the Treasury Department to adopt regulations that align the simplified standard mileage tax deduction rate, which applies to the use of personal vehicles for volunteer charitable services, with the mileage rate that applies for medical and moving purposes.
- Promote transparency by requiring nonprofits to file their annual returns electronically.

U.S. Sens. Pat Roberts (R-Kan.) and Ron Wyden (D-Ore.) are co-sponsors of the CHARITY Act.

Bill text for S. 1475 can be located [here](#) and a bill summary [here](#).

CHARITY Act of 2019

Summary of Provisions

Section 1 – Short Title: *Charities Helping Americans Regularly Throughout the Year (CHARITY) Act of 2019.*

Section 2 – Standard Mileage Rate: This section would require the Treasury Department to align the simplified standard-mileage rate, which applies for purposes of deducting the use of a personal vehicle for volunteer charitable services, with the mileage rate that applies to the deduction for medical and moving expenses. The IRS has the authority to adjust the mileage rates applicable to business and medical/moving deductions so they can keep pace with inflation. However, no authority exists under current law to adjust the mileage rate for charitable activities, and the mileage rate has remained unchanged since 1997.

Section 3 – Require Non-Profits to File Form 990 Electronically: Current law requires only the smallest and largest tax-exempt organizations to file their annual returns electronically. This section would require any tax-exempt organization currently required to file Form 990 to do so in electronic form. This section also requires the IRS to make the information on Form 990s available to the public as soon as practicable in a machine-readable format. The provision would increase transparency and accuracy while reducing opportunities for tax identity theft and fraud. This section provides authority for the IRS to phase in the electronic filing requirement for smaller tax-exempt organizations.

Section 4 – Donor Advised Funds IRA Rollover Eligibility and Transparency: This section would expand the provision under current law that permits an owner of an individual retirement account (IRA), who is at least 70½ years old, to exclude from his or her gross income up to \$100,000 per year in distributions that are made directly from the owner's IRA to certain public charities. This section would permit distributions also to be made to donor-advised funds (DAFs). In addition, it would modify the disclosures that tax-exempt organizations that sponsor DAFs must make each year so they include the number of DAFs that had been in existence for 36 months at the end of the tax year as well as the number of those DAFs that made grants during that same 36-month period. Additionally, the DAF-sponsoring organization would be required to indicate whether or not it has a policy with respect to DAFs that become inactive, dormant, or fail to make distributions, describe its policy for responding to such funds, and indicate whether or not the sponsoring organization monitors and enforces that policy. Permitting DAFs to qualify for IRA rollovers would help community foundations and other public charities that maintain DAFs further their charitable mission in a transparent manner.

Section 5 – Private Foundation Excise Tax Simplification: This section would simplify the calculation of the excise tax that applies to the investment income of private foundations. The simplified approach would provide greater certainty to private foundations that currently are required to calculate a tax rate based on charitable distributions over the previous five years. Specifically, the provision would impose a 1-percent excise tax on investment income, but would not require foundations to expend time and resources to calculate the payout rates of previous years.