

**Testimony to the Joint Economic Committee – “Supporting Charitable Giving During the COVID-19 Crisis”
Submitted by U.S Senator James Lankford**

Chairman Lee, Vice Chair Beyer, members of the Committee – I want to thank you for holding this critically important hearing on ways we can boost charitable giving during the middle of the COVID-19 pandemic. This is an incredibly challenging time for individuals and families all across our nation, and supporting members of our non-profit community will be essential to a speedy and full recovery.

Our churches, charities, and other non-profits form a major pillar in each of our communities. They help support our neighbors in need, and lend a helping hand to those who are struggling. They provide a vital access point to so many, whether it be a meal at your local soup kitchen, groceries and supplies from a city food bank, or a warm coat at a Main Street Goodwill. Housing/shelter, pro bono health care services, job skills training...you name it. Our non-profits deliver an almost immeasurable range of services, and meet the needs of our nation’s most vulnerable every single day. It’s this quiet dedication and steadfast commitment to serving our neighbors and families in need that weaves our safety net together. The safety net protects lives and livelihoods, and works to prevent our struggling neighbors from slipping through the cracks of society, while preserving human dignity and worth.

Many of us have worked on the issue of charitable giving for a long time. We’ve examined various ways to boost giving through the tax code, and we’ve tried to remove regulatory burdens where we find them that prevent our churches and charities from fulfilling their missions.

For years, many of our non-profits have struggled to meet the needs of their neighbors, and unfortunately, the COVID-19 pandemic has only exacerbated the situation further. With millions having lost their jobs and livelihoods over the past weeks and months, we’ve heard from thousands of non-profits who have been hit exceptionally hard by the dip in giving and fundraising. In many cases, they’ve been unable to make their payrolls and make payments on their fixed monthly costs. Initiatives like the Paycheck Protection Program were helpful, but we can do more.

We must find creative ways to incentivize those who have the heart and means to give, to give. Our country’s non-profits need their support now more than ever.

That’s why I’ve been working with five of my colleagues in the Senate – including you Mr. Chairman – on a bipartisan way to boost giving through the tax code. As most folks watching this hearing know, the CARES Act included a new \$300 above-the-line deduction that taxpayers can claim for 2020 in addition to taking the standard deduction. Although I advocated for a significantly higher amount – given the financial pressures COVID has placed on our non-profits – it was a welcome policy addition, and I appreciated its inclusion. However, we must go bigger if we are going to match the size of the need COVID has brought upon us. If we don’t, we risk creating a massive void in our social safety net, meaning our most vulnerable will have critical needs unmet during one of the most painful times in our nation’s history. The beauty and importance of what our churches and charities bring to communities is underscored by the fact that they are not of the federal or state government, and thus they are not propped up by taxpayer dollars. Rather, they are funded by the kindness and generosity of our fellow citizens.

The approach we’re offering is simple – let’s build on the current \$300 deduction for cash gifts included in CARES, and increase the limit to one-third of the standard deduction (that’s \$4000 for individuals or

\$8000 for married filers). Let's also make it applicable to the 2019 tax year as well, so that those who gave last year can go back and amend their 2019 returns to also take advantage. That was an idea from my good friend and fellow panelist, Senator Shaheen, and one that we've worked to include in the updated version.

This is a straightforward way to incentivize giving for taxpayers who take the standard deduction. This would really help our middle to low income taxpayers who want to give. This policy rewards that generosity which ultimately benefits our churches and charities who turn those gifts into met needs.

The challenge is clear – we need to support our non-profits by boosting giving. This is a great way to do that, and one that has strong bipartisan support here in Congress. Moreover, we have overwhelming support in the non-profit community. We had over 6000 non-profits of all sizes and missions that became a part of our support coalition during the debate on CARES, and they continue to help us build momentum.

I want to give a special thanks to some of my colleagues who have been real leaders in continuing to push this forward – Senators Shaheen, Coons, Scott, Klobuchar, and certainly Chairman Lee. I'd also like to thank our House-side partner, Congressman Walker, for his leadership across the Capitol. We've worked on this issue together since 2017, and the non-profit sector has no better advocate in the House.

I sincerely thank the Committee for holding this important hearing, and for allowing me the opportunity to speak. I look forward to working with each of you to further enact policies that will lift up our nation's non-profits at a time when they are needed more than ever.

Thank you, Mr. Chairman.