• Regardless of their income level, taxpayers who receive a deduction for their contributions give more to charities than those that do not receive a deduction.

• Twelve percent of all charitable giving in the United States occurs in the last three days of the year.

• A 2017 poll found that 85 percent of American voters support protecting the charitable deduction. In the same poll, 75 percent of voters support expanding the charitable deduction to all taxpayers.

• Charitable giving incentives do not enrich individual donors: they are an investment in the public good. Charitable giving incentives encourage donors to give more, benefiting the millions of Americans who access services provided by nonprofit organizations.

• In Hawaii, an elimination of the charitable giving incentive in 2011 raised about $10 million in revenue for the state, but created a $60 million shortfall for nonprofits and community services. For every dollar saved, six dollars did not go into the nonprofit sector, choking off philanthropy. Average charitable giving declined 19 percent for the key income cohort targeted by the cap on itemized deductions in its first year of application. The incentive was reinstated in 2013.

• During a period of general recovery in the economy, 2011 and 2012, charitable donations claimed as itemized deductions on federal tax returns increased by 13.47 percent across the United States. The data for Oklahoma show that total charitable deductions grew by 15.85 percent, or an additional $341 million in giving to the work of charitable nonprofits in communities across the state (based on IRS tax statistics).

• Should this cap be lowered, Oklahoma nonprofits could see a decline in giving of $29,224,453 just from individuals with AGI between $500,000 and $1 million (based on IRS tax statistics).

This proposed cap at $17,000 in HB2347 will disincentivize giving, effectively balancing the budget on the backs nonprofits and the people served by the charitable sector. At a time when nonprofits are asked to do more and more with fewer resources, the Legislature’s proposal to cap itemized deductions that include the charitable giving deduction will choke off funding from our donors. Charitable giving is the lifeblood for nonprofits, and we know that 12 percent of all charitable giving comes into nonprofits in the last three days of the year. This just shows that the charitable giving incentive is important to Americans and to Oklahoma donors.

We feel very strongly that we should not continue to balance our budget on charity – either by shifting the burden to nonprofits or taking away the very incentives that encourage people to donate to charity. The optics of this are terrible for Oklahoma. This happened in Hawaii a few years ago, and they ended up reinstating the charitable deduction just two years later because it was such a disaster. I know that our Legislature can find better ways to increase revenue to support core services without damaging the nonprofits that fill the ever-increasing gaps in service.

– Marnie Taylor, President and CEO of the Oklahoma Center for Nonprofits
The Oklahoma Center for Nonprofits is the organization of choice for professionals and volunteers to LEARN the most up-to-date, leading practices in management. We ADVOCATE for the sector through a comprehensive legislative and public education agenda that puts nonprofits and their donors first. We EXCEL through our adherence to EXCELLENCE in all we do. We NURTURE the missions of nearly 19,000 nonprofits in Oklahoma. We help organizations GROW and evolve by teaching them to EXPLORE and CONNECT to reach their full potential.

WE ARE NONPROFITS. WE ARE EXCELLENCE.