

LARSON SUPPORTS LEGISLATION TO ENCOURAGE GREATER CHARITABLE GIVING

Votes in Favor of Responsible Demo

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Votes in Favor of Responsible Democratic Alternative Bill

WASHINGTON, D.C.- U.S. Congressman John B. Larson (CT-01) today voted in favor of legislation offered by House Democrats as an alternative to the Charitable Giving Act, H.R. 7, that would provide tax incentives to encourage greater charitable giving among Americans. As proposed, H.R. 7 would reduce revenue and increase the deficit by \$12.7 billion over 10 years. However, in order to pay for the legislation, the Democratic substitute to the underlying bill contained provisions that would crackdown on abusive corporate tax shelter schemes as well as help charities by increasing the investment in the Social Services Block Grant. The Senate passed a bill that contained similar provisions by a vote of 90 to 5.

The House Democratic alternative bill failed by a vote of 203 to 220. The House passed the underlying bill, H.R. 7, by a vote of 408 to 13.

Larson stated: "Charities are critical in ensuring that the nation's neediest citizens receive necessary services and assistance. I am fully supportive of creating tax incentives that will increase the rate of giving among Americans to our charitable organizations, enabling them to better serve those in need. However, we are faced with an already massive budget deficit and the Democratic alternative legislation, like the Senate bill, includes the same provisions as the bill offered by the majority, but pays for the cost of the bill by closing corporate tax loopholes. The Senate overwhelmingly passed legislation that also included these provisions, as well as increasing funding for the Social Services Block Grant."

Specifically, the legislation would change current law to allow individuals who do not itemize income tax deductions to deduct a portion of what they contribute to charities. The bill also allows tax-free distributions from IRAs for qualified charitable purposes for people over a certain age, increases the cap on corporate charitable contributions from 10 to 20 percent, and expands access to existing deductions for charitable contributions of food inventory, technical/scientific equipment and land for conservation.

The Social Services Block Grant, which the Democratic alternative increases from \$1.7 billion to \$2.8 billion, helps state and local government and charitable organizations fund services for the needy, including child care, senior services such as Meals-on-Wheels, and services to at-risk children.

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