

CHARITABLE GIVING

Request:

- Ensure that federal tax reform efforts preserve and expand charitable giving opportunities.
- Support the Artist-Museum Partnership Act (S. 405/H.R. 1126).
- Support the Tax Extenders Act of 2009 (H.R. 4213)
- Extend the IRA Rollover Charitable Deduction and support the Public Good IRA Rollover Act of 2009 (H.R. 1250/S.864).

Introduction:

Charitable giving is the lifeblood of museums of all sizes and disciplines; it accounts for more than one-third of museums' operating funds. Especially at a time when our nation is facing economic uncertainty, and many donors are unable to give as they once did, museums face a very uncertain future.

Maintaining existing charitable giving deductions and enhancing charitable giving opportunities will be a determining factor in museums' future sustainability.

Talking Points:

Artist-Museum Partnership Act

- Living artists, writers, choreographers, and composers – many of whom earn very little – have no financial incentive to donate their works, because they cannot claim a tax deduction for the works' fair market value. Rather, they can deduct only the value of materials, such as paper, ink, paint, and canvas. As a result, works of local, regional, and national significance are sold into private hands and are never made available to the public.
- Small and mid-sized museums – which often do not have the same financial resources and support as larger institutions – rely especially upon artist donations to build and enhance their collections.
 - **STATUS:** The “**Artist-Museum Partnership Act of 2009**” (S. 405, sponsored by Senator Patrick Leahy in the Senate, and H.R. 1126, sponsored by Representative John Lewis in the House) provides that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor. The House version of the bill has more than 70 cosponsors. The Senate bill has 19 cosponsors and similar bills have passed the Senate 5 times.

IRA Charitable Rollover

- The IRA Charitable Rollover is a tax incentive that allows individuals aged 70½ and older to donate up to \$100,000 from their Individual Retirement Accounts (IRAs) to public charities without having to count the distributions as taxable income. Since enactment in August 2006, the IRA Charitable Rollover has generated a significant amount of new charitable giving.

- **STATUS:** The IRA Charitable Rollover and several other giving incentives expired on December 31, 2009. The House of Representatives passed the Tax Extenders Act of 2009 (H.R. 4213) in December – extending the previous law through 2010, but the Senate was unable to act on the legislation before adjourning for the year. The Senate could take action to reenact the IRA Charitable Rollover on a current or retroactive basis. The **“Public Good IRA Rollover Act of 2009”** (H.R. 1250, sponsored by Representatives Earl Pomeroy and Wally Herger in the House, and S. 864, sponsored by Senators Byron Dorgan and Olympia Snowe in the Senate) would make the IRA Rollover permanent, remove the arbitrary \$100,000 cap, and reduce the qualifying age to 59 ½.