**Support #GivingTuesday - Cosponsor Bipartisan Legacy IRA Act**

Dear Colleague,

In conjunction with #GivingTuesdayNow, a global movement to unite and heal communities in response to the unprecedented need caused by COVID-19, please join us and cosponsor [S. 1257, the bipartisan Legacy IRA Act](https://www.congress.gov/bill/116th-congress/senate-bill/1257), to help incentivize more charitable giving by middle-income seniors.

Every day, charities work across the country to provide education and economic opportunities to families in need, assist victims of disaster, and enhance the cultural and spiritual development of individuals and communities. This important work is made possible by the generosity of millions of individuals each year, and in the wake of the coronavirus pandemic, it has become more important than ever. Individuals and communities across the country are relying on the critical services, support, and expertise that charitable nonprofits provide.

Due to economic uncertainty, these nonprofit organizations are bracing for a dramatic decline in charitable giving through direct donations and canceled fundraising events. The CARES Act provided relief for individuals, small businesses, and nonprofits in several ways, including allowing $300 universal charitable deduction in 2020. But at the same time, in order to provide tax relief for individuals, the law also included a one-year freeze on the mandate that IRA holders age 72 and older make a minimum annual withdrawal from their retirement accounts. According to the *Chronicle of Philanthropy*, this waiver has an unintended consequence of discouraging charitable giving from retirement accounts, potentially leading to a decrease in charitable giving. At a time when more and more Americans are relying on services from nonprofits, we should be bolstering incentives to make charitable donations.

One such opportunity is the Legacy IRA Act. The legislation builds on and expands the existing IRA Charitable Rollover that was first created by Congress in 2006 and made permanent in 2015. The IRA Charitable Rollover provision allows individuals to make direct tax-free charitable gifts up to $100,000 from their IRA starting at age 70½. Since its enactment, the IRA Charitable Rollover has generated millions of dollars in new or increased contributions to local and national charities. And this form of giving is growing exponentially. According to a recent report, the average growth of IRA rollover gifts from 2017 to 2018 was 73.8 percent.  Again, we are concerned that the one-year freeze in the CARES Act will negatively affect this time of charitable giving.

The Legacy IRA Act would **expand** the IRA Charitable Rollover to allow seniors starting at age 65 to make tax-free IRA rollovers to charities through life-income plans (charitable gift annuity or charitable remainder trust). It provides a guaranteed income for the senior for life and supports charities without negatively affecting federal tax payments since the senior’s annual retirement income from the life-income plan is fully taxed. Congress can easily increase charitable giving from middle-income seniors by passing the bipartisan Legacy IRA bill.

The JCT score is $106 million over 10 years (the bill creates a four-year trial period), while industry estimates indicate that the Legacy IRA Act could raise up to $1 billion each year for charities.

If you have any questions or to cosponsor, please email [jason\_stverak@cramer.senate.gov](mailto:jason_stverak@cramer.senate.gov) with Senator Kevin Cramer or [vernon\_baker@stabenow.senate.gov](mailto:vernon_baker@stabenow.senate.gov) with Senator Debbie Stabenow.

Sincerely,

Kevin Cramer                                                                          Debbie Stabenow

United States Senator                                                              United States Senator