

CARES Act Highlights

- **Paycheck Protection Program** forgivable loans administered by local lenders for nonprofit employers with up to 500 employees.
- **Mid-Size Business Loan Program** to implement a program to support nonprofit employers with between 500 and 10,000 employees.
- **Enhanced Charitable Giving Incentives**, including a 2019 non-itemizer deduction for cash gifts of up to \$300 and a removal of AGI limits on deductible donations.

COVID-19 Relief: Encourage Charitable Giving

We Urge Congress To:

- Expand the above-the-line tax incentive for non-itemizers to give more by removing the \$300 cap and allowing all taxpayers to claim the deduction on both 2019 and 2020 tax returns.
- When Congress turns to provisions affecting 2021 and beyond, it should renew the CARES Act removal of the Adjusted Gross Income limitation on deductibility of charitable gifts.

COVID-19 Relief: Forgivable Loans

- Increase funding for the **Paycheck Protection Program** and eliminate the 500-employee cap for 501(c)(3) nonprofit organizations. Provide dedicated funding available to nonprofit organizations.
- **Mid-Size Business Loan Program:** Adjust CARES Act Section 4003(c)(3)(D)(i) to implement a program to support nonprofit employers with between 500 and 10,000 employees, including loan-forgiveness and other provisions. Ensure nonprofit eligibility for the Main Street Lending Program.

COVID-19 Relief:

- **Treat Self-Funded Nonprofits Fairly** by increasing the federal unemployment insurance reimbursement for self-funded nonprofits to 100% of costs. As currently written Section 2103 of the CARES Act will subject nonprofits throughout the country to crippling payments to their state unemployment systems later this year, while other employers will likely experience little or no additional costs resulting from mass COVID-19-related layoffs.

Encourage Charitable Giving

We Urge Congress To:

- Restore and expand the full value and scope of charitable giving incentives for all taxpayers through enacting a universal charitable deduction (UCD).
 - Permanently extend the UCD included in the CARES Act and raise the \$300 cap for non-itemizers
- Support further policies that will strengthen the nonprofit arts community by passing the Legacy IRA Act (H.R. 3832 and S. 1257) and preserving the Johnson Amendment's protections from partisanship.

Grow Giving through Enacting a Universal Charitable Deduction

- Nonprofit arts organizations are an essential part of the broader community of approximately 1.4 million nonprofit 501(c)(3) organizations, working alongside hospitals, educational institutions, food assistance programs, and the full array of charitable organizations
- Under comprehensive tax reform legislation enacted in 2017, taxpayers claiming the charitable deduction have declined, reducing incentives for charitable giving.
- Congress should support increased charitable giving by enacting a Universal Charitable Deduction, available to all taxpayers, whether or not they itemize their tax returns.

Supporting Tax Fairness for Artists and Writers

We urge Congress to:

- Enact the Artist-Museum Partnership Act (HR 1793) which would allow artists to deduct the fair market value of their work when they donate it to charitable collecting institutions.
- Update the qualified performing artist tax deduction by supporting the Performing Artists Tax Parity Act of 2019 (HR 3121) and reinstate deductions for unreimbursed employee business expenses.
- Maintain artist eligibility in the Low-Income Housing Tax Credit program, the income tax exemption for Private Activity Bonds, and the Historic Tax Credit.