

August 3, 2022
Updated September 13, 2022

The Honorable Joseph Biden
President of the United States
The White House
Washington, DC 20500

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
House Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Senate Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Senate Republican Leader
U.S. Senate
Washington, DC 20510

RE: Enable Charitable Nonprofits to Respond to the Current and Ongoing Natural Disasters

Dear President Biden, Speaker Pelosi, and Leaders Schumer, McCarthy, and McConnell:

As Americans suffering from natural disasters in dozens of states turn to charitable nonprofits, they are discovering that the nonprofits where they seek relief are themselves struggling to recover from the significantly added workloads they endured throughout the pandemic. Charitable nonprofits see the anguish of people displaced from their homes and businesses, but nonprofits already on the edge simply cannot take on the additional volume of work without more resources. With great urgency, we ask Congress to enable charitable nonprofits to provide the assistance sought by the millions of residents whose lives have been disrupted. Specifically, we call on Congress to **restore and improve charitable giving incentives** and **reinstate and enhance the Employee Retention Tax Credit** so charitable nonprofits have the resources and staff they need to provide relief and recovery to Americans now.

This summer has imposed unimaginable hardships on residents via multiple forms of natural disasters – some very recent and others ongoing. Residents are currently confronting horrendous flooding in **Kentucky, Missouri**, and are just starting to dry out in **Montana**. Wildfires in **Arizona, California, New Mexico, Oregon, and Texas** have displaced thousands; people who have had to flee their homes and businesses turn to local nonprofits for immediate relief and protection. In recent weeks and months, there have been severe, damaging storms in **Kansas, Maryland, Minnesota, Nebraska, North Dakota, Oklahoma, and South Dakota**. **Alaskans** have faced landslides and drought continues to strike wide areas in **California, Idaho, Nevada, Utah, and Wyoming**. Just this past month, the Federal Emergency Management Agency issued 10 natural disaster declarations. And we're only now entering the seasons for major hurricanes and the worst of wildfires; we all know there is more to come, and more that needs to be done.

Federal and state government responses to these disasters are not enough; greater efforts by private nonprofit organizations are demanded and, for that, charities need additional resources. Also, these natural disasters are forcing some charitable organizations to shut down and potentially lay off staff as a result. Those nonprofits able to maintain operations are facing critical workforce shortages more severe than in other sectors of the economy. See [The Scope and Impact of Nonprofit Workforce Shortages](#) and the July 2022 update, [A Crisis that Affects Everyone](#).

Natural Disaster Tax Relief for Charitable Nonprofits

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Three charitable giving incentives ideally suited to help nonprofits serve through natural disasters were allowed to expire at the end of 2021. Greater incentives for charitable giving are needed more than ever during the current natural disasters as nonprofits play an essential role in immediate relief and continuing recovery efforts. We urge Congress and the Administration to:

- Renew the **universal charitable (non-itemizer) deduction** at least through 2022 and significantly increase the cap on the deduction, as proposed in the bipartisan **Universal Giving Pandemic Response and Recovery Act** (S.618/H.R.1704).
- Extend two additional disaster-relief giving incentives that expired on December 31, 2021 –
 - the provision permitting individuals who itemize to deduct charitable donations up to **100% of their adjusted gross income**, and
 - the measure allowing corporations to deduct charitable donations up to **25% of taxable income**.

We also ask Congress and the Administration to retroactively restore the **Employee Retention Tax Credit**, as proposed in the bipartisan ERTC Reinstatement Act (H.R. 6161/S. 3625), extend this refundable payroll tax credit through 2022, and modify nonprofit eligibility beyond the current “gross receipts” test and definition of eligible payroll expenses to include child care and education subsidies. These latter revisions to the law are sought to reflect the increased costs charitable organizations experience as they struggle to maintain or expand services to meet local needs throughout the health and economic crises.

The people you and charitable nonprofits serve urgently need help now: those without homes, their businesses, and basic necessities of food, water, clothing, and more can't wait for assistance until after the elections. We urge you to come together and pass bipartisan disaster tax relief legislation that will enable the charitable community to provide the greatest support possible for our fellow residents now, when it is needed most.

Sincerely,

Agudath Israel of America
American Alliance of Museums
American Red Cross
Americans for the Arts
Big Brothers Big Sisters of America
Boys and Girls Clubs of America
Catholic Charities USA
Community Foundation Awareness Initiative
Council on Foundations
Dance/USA
Ducks Unlimited
Faith & Giving
Girl Scouts of the USA
Goodwill Industries International, Inc.
Habitat for Humanity
Independent Sector
Jewish Federations of North America

League of American Orchestras
Meals on Wheels America
Mental Health America
National Community Action Partnership
National Council of Nonprofits
Network of Jewish Human Service Agencies
Opera America
Performing Arts Alliance
Social Current
Team Rubicon
The Nonprofit Alliance
Theatre Communications Group
United Philanthropy Forum
United Way Worldwide
Volunteers of America
YMCA OF THE USA
YWCA USA