Individual Ohioans donated $5.98 billion to nonprofits in 2016, up 4.5 percent over 2015. The ability to deduct charitable contributions from federal tax liabilities has been vital to charitable giving in Ohio, as 75 percent of all contributions to nonprofits came from individuals. This strong tradition of policy supporting individual giving was weakened by the 2017 tax law: the increase in the standard deduction means that many fewer current itemizers will no longer itemize their deductions – including those for charitable contributions – that one study estimates could reduce charitable giving by $14.2 billion.

If, as anticipated, the tax law results in eliminating the charitable deduction except for those earning over $200,000 a year, it could have a significant negative impact on Ohio giving. With individuals filing taxes for the first time this year under the new law, we won’t know the extent of the impact until well into 2021 from IRS data although community foundations and nonprofits could see the change much sooner.

About one-quarter (23 percent) of Ohioans – at virtually every income level – reported making charitable donations on their 2016 federal tax returns, using the itemizer schedule to report and claim deductions for their gifts.

You can help remedy this anticipated drop and maintain the strength of the nonprofit sector by signing on to HR 1260, which would provide an above-the-line, uncapped deduction for all Americans who donate to charity. Creating this above-the-line deduction would boost charitable giving by $21.5 billion, more than offsetting the impact of the new tax law and incentivizing more giving.

Philanthropy Ohio urges Congress to preserve the full scope and value of the charitable deduction.

INDIVIDUAL GIVING BY INCOME LEVEL

Of the 1.15 million Ohioans reporting charitable contributions:

- Of individuals had income less than $50,000 and gave $503 million (19%)
- Of individuals had income between $50,000 – $200,000 and gave $2.76 billion (69%)
- Of individuals had income more than $200,000 and gave $2.51 billion (12%)

Philanthropy Ohio urges Congress to preserve the full scope and value of the charitable deduction.