



ISSUE PAPER

Expand and Extend the IRA Charitable Rollover (H.R. 1250/S. 864)

- Beginning in 2010
- For Gifts Made to Donor-Advised Funds, Supporting Organizations, and Private Foundations
- To Gifts Above \$100,000

Position: The Council on Foundations supports the expansion and extension of the IRA charitable rollover 1) beginning in 2010, 2) to include gifts above \$100,000, and 3) for taxpayers who would like to make distributions to charity, including donor-advised funds, supporting organizations, and private foundations.

Background: The Pension Protection Act of 2006 (PPA), included a temporary provision that allowed taxpayers age 70-and-a-half or older to make tax-free distributions of up to \$100,000 to charitable organizations from their traditional IRA accounts.

On October 3, 2008, Congress passed The Emergency Economic Stabilization Act of 2008 extending several expiring tax provisions, including the IRA charitable rollover through the end of 2009. The law allows individuals to convert tax-free distributions from their IRAs (up to \$100,000 per taxpayer per taxable year) to charity.

Rationale: By expanding the charitable rollover to all philanthropic tools, charitable giving would increase and allow donors to provide immediate new sources of support within their communities.

A study in late 2008 of donor advised funds in 137 community foundations, from 37 states, representing over 49,000 separate donor- advised funds shows that 62 percent of the community foundations' grantmaking comes from donor advised funds! Their annual payout rate was 16.4 percent-- three times that of other funds. Community foundations are working every day to strengthen and support their communities. Grants from their donor-advised funds are a key component of the support they provide.

We Need Your Help: Please co-sponsor the Public Good IRA Charitable Rollover Act. On Monday, March 2, 2009 Representatives Earl Pomeroy (D-ND) and Wally Herger (R-CA) introduced the Public Good IRA Rollover Act of 2009 (H.R. 1250) in the House of Representatives. In the Senate, Senators Byron Dorgan (D-ND) and Olympia Snowe (R-ME) introduced a Senate companion bill, The Public Good IRA Rollover Act of 2009 (S. 864) on Wednesday, April 22. We strongly encourage you to co-sponsor H.R. 1250 /S.864, so that local philanthropy can grow in your communities!

August 2009
(Co-sponsors listed below)

H.R. 1250

Title: To amend the Internal Revenue Code of 1986 to expand tax-free distributions from individual retirement accounts for charitable purposes.

Co-sponsors of H.R. 1250

Bachmann, Michele (R-MN)
Bean, Melissa L (D-IL)
Bishop, Timothy H (D-NY)
Blunt, Roy (R-MO)
Bocchieri, John A.(D-OH)
Bonner, Jo (R-AL)
Bono Mack, Mary (R-CA)
Burton, Dan (R-IN)
Cantor, Eric (R-VA)
Conaway, K. Michael (R-TX)
Davis, Artur (D- AL)
Driehaus, Steve (D-OH)
Duncan, John J., Jr. (R-TN)
Ehlers, Vernon J. (R-MI)
Ellsworth, Brad (D-IN)
Filner, Bob (D-CA)
Fudge, Marcia L. (D-OH)
Goodlatte, Bob (R-VA)
Gutierrez, Luis V. (D-IL)
Herger, Wally (R-CA)
Honda, Michael M. (D-CA)
Johnson, Sam (R-TX)
Jones, Walter B., Jr. (R-NC)
Kildee, Dale E. (D-MI)
Kirk, Mark Steven (R-IL)
Kline, John (R-MN)
Lipinski, Daniel (D-IL)
Markey, Betsy (D-CO)
Michaud, Michael H. (D-ME)
Myrick, Sue Wilkins (R-NC)
Paul, Ron (R-TX)
Paulsen, Erik (R-MN)
Platts, Todd Russell (R-PA)
Roe, David P. (R-TN)
Rogers, Harold (R-KY)
Schakowsky, Janice D. (D-IL)
Schmidt, Jean (R-OH)
Sestak, Joe (D-PA)
Shimkus, John (R-IL)
Slaughter, Louise McIntosh (D-NY)
Souder, Mark E. (R-IN)
Stupak, Bart (D-MI)
Tiberi, Patrick J. (R-OH)
Wamp, Zach (R-TN)
Wexler, Robert (D-FL)
Wittman, Robert J. (R-VA)
Wolf, Frank R. (R-VA)

S.864

Title: A bill to amend the Internal Revenue Code of 1986 to expand tax-free distributions from individual retirement accounts for charitable purposes.

Co-sponsors of S.864

Brown, Sherrod (D-OH)
Burr, Richard (R-NC)
Johnson, Tim (D-SD)
Kerry, John F. (D-MA)
Leahy, Patrick J. (D-VT)
Levin, Carl (D-MI)
Lincoln, Blanche L. (D-AR)
Pryor, Mark L. (D-AR)
Schumer, Charles E. (D-NY)
Snowe, Olympia J. (R-ME)
Stabenow, Debbie (D-MI)
Voinovich, George V. (R-OH)

(As of 8/07/2009)