

**Table T19-0064**  
**Replace Itemized Deduction for Charitable Contributions with Deduction Available to All Taxpayers for Contributions Above 1 Percent of AGI**  
**Baseline: Current Law**  
**Distribution of Change in Federal Tax Expenditure for Charitable Contributions by Expanded Cash Income Percentile, 2020 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	Tax Units with Benefit <sup>4</sup> (thousands)		Average Benefit (dollars)		Percent Change in After-Tax Income <sup>5</sup>	Marginal Tax Benefit per \$100 of Contributions <sup>6</sup>		Implied Change in Individual Charitable Giving (\$ billions)	
	Change	Under the Proposal	Change	Under the Proposal		Change	Under the Proposal	Elasticity = -0.5	Elasticity = -1.0
Lowest Quintile	2,230	2,270	*	*	0.0	1.9	2.0	0.1	0.1
Second Quintile	8,980	9,510	20	20	0.1	5.1	6.5	0.4	0.9
Middle Quintile	13,560	15,520	70	90	0.1	8.8	12.0	1.6	3.1
Fourth Quintile	11,120	15,290	170	270	0.2	8.9	15.6	2.8	5.6
Top Quintile	3,320	12,270	-10	1,680	0.0	2.5	24.4	2.0	4.0
All	39,200	54,860	40	300	0.1	4.6	19.9	6.9	13.7
<b>Addendum</b>									
80-90	3,230	6,380	250	520	0.2	8.1	19.5	1.7	3.5
90-95	790	3,080	190	800	0.1	5.4	20.9	0.8	1.6
95-99	-300	2,280	-120	1,570	0.0	1.5	24.0	0.1	0.2
Top 1 Percent	-390	530	-3,430	19,360	-0.2	-0.8	28.2	-0.6	-1.3
Top 0.1 Percent	-60	50	-16,920	118,540	-0.2	-0.6	27.4	-0.3	-0.5

**Baseline Distribution of the Tax Benefit for Charitable Contributions**  
**by Expanded Cash Income Percentile, 2020 <sup>1</sup>**

Expanded Cash Income Percentile <sup>2,3</sup>	All Tax Units					Tax Units with Benefit <sup>4</sup>			
	Number (thousands)	Percent of Total	Total Contributions (\$ billions)	Average Benefit (dollars)	Share of Total Benefit	Marginal Tax Benefit per \$100 of Contributions <sup>5</sup>	Number (thousands)	Percent of All	Total Contributions (\$ billions)
Lowest Quintile	46,170	26.3	6.3	*	*	0.1	40	0.1	*
Second Quintile	39,080	22.2	16.9	*	0.3	1.4	530	1.4	2.3
Middle Quintile	35,250	20.1	36.1	20	1.7	3.2	1,960	5.6	7.9
Fourth Quintile	29,520	16.8	63.9	100	6.5	6.6	4,170	14.1	24.0
Top Quintile	24,620	14.0	200.9	1,690	91.5	21.8	8,950	36.3	164.1
All	175,860	100.0	324.4	260	100.0	15.3	15,660	8.9	198.5
<b>Addendum</b>									
80-90	12,630	7.2	43.8	270	7.6	11.4	3,150	25.0	23.7
90-95	6,120	3.5	30.4	610	8.2	15.5	2,290	37.4	20.9
95-99	4,710	2.7	39.6	1,690	17.6	22.5	2,580	54.8	33.3
Top 1 Percent	1,160	0.7	87.1	22,790	58.1	29.0	920	79.7	86.1
Top 0.1 Percent	120	0.1	53.0	135,460	35.2	28.0	110	89.9	52.8

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-1).

Number of AMT Taxpayers (millions). Baseline: 0.2 Proposal: 0.2

\* Non-zero value rounded to zero; \*\* Insufficient data

(1) Calendar year. Baseline is the law in place for each year as of June 28, 2019. Proposal would: replace the itemized deduction for charitable contributions with a universal deduction for contributions above 1 percent of AGI.

For more information on TPC's baseline definitions, see:

<http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2019 dollars): 20% \$26,300; 40%

\$52,000; 60% \$92,100; 80% \$165,900; 90% \$242,500; 95% \$347,800; 99% \$830,400; 99.9% \$3,717,800.

(4) Tax units with benefit are tax units with a net benefit of \$10 or more.

(5) After-tax income is expanded cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); estate tax; and excise taxes.

(6) Marginal tax benefit is calculated by increasing baseline charitable contributions by \$100 and recomputing tax liability.