

## The Illinois Gives Act - SUPPORT

**HB 1241** Rep. Margaret Croke - Norine K. Hammond - Elizabeth "Lisa" Hernandez – Natalie Manley - Ryan Spain, William "Will" Davis, Joe C. Sosnowski, Robert "Bob" Rita, Dan Swanson, Maurice A. West, II, Travis Weaver, Dave Severin, Edgar Gonzalez, Jr., Gregg Johnson, Joyce Mason, Mary E. Flowers, Bob Morgan, Nabeela Syed, Bill Hauter, LaShawn Ford, Kevin Olickal, Angelica Guerrero-Cuellar, Diane Blair Sherlock, Aaron Ortiz, Matt Hanson, Katie Stuart, Dagmara Avelar, Dave Vella, Anna Moeller  
**SB172** Sen. Sara Feigenholtz - Omar Aquino - Michael W. Halpin - David Koehler - Dale Fowler, Doris Turner, Jil Tracy, Sue Rezin, Sally J. Turner, Mattie Hunter, Tom Bennett, Ram Villivalam, Linda Holmes, Andrew S. Chesney, Robert Peters, and Javier Cervantes, Terri Bryant, Donald DeWitte, Laura Fine, Willie Preston

### SUMMARY<sup>1</sup>

- Authorizes a 25% state charitable income tax credit beginning tax year 2025
- To any Illinois taxpayer who makes a charitable gift(s) to a permanent endowment administered by ~40 qualified community foundations in Illinois that serve every county in the state
- Must benefit charitable causes in this state<sup>2</sup>
- Includes a \$5 million statewide cap to limit budget impact and a 5-year sunset provision
- May not be carried back and is not refundable; may be carried forward up to 5 years
- Includes public reporting requirements to ensure accountability and transparency

### EQUITY PROVISIONS

- Amount available to a single taxpayer capped at \$100,000; No minimum
- Includes 25% reserve for small gifts (i.e., <\$25,000); in IA's program, 66% of gifts were <\$1,000 in 2021
- No single community foundation can receive more than 15% of the statewide total
- Available statewide in every county, rural and urban communities
- There is no federal or state tax incentive for charitable giving except for itemizers, who are more likely to be wealthy and White households
- 88% or more of taxpayers do not itemize their tax return; when non-itemizers give, they do not receive a tax benefit like their wealthier counterparts; *that is unfair*

### RATIONALE / NEED

- Leverages \$4 private dollars for every \$1 state investment
- Provides middle-class tax relief; Makes state income tax code more fair
- Offers a permanent, stable source of unrestricted/capital funding for 501c3s by incentivizing gifts to charitable endowments managed by community foundations, who are experts in administering them
- Endowed grant-making may benefit any of the 50,000-plus operating 501c3 public charities in Illinois
- May be used as a tool to support a variety of charitable programs (e.g., racial equity; houses of worship; arts, humanities, human services, environment, legal aid, museums, health care, scholarships, etc.
- Administratively simple for IDOR
- Evidence shows a decline in giving since federal deduction lapsed; impacting nonprofit financial stability
- Conversely, similar programs in other states have increased both the # of donors and the total \$ given
- Illinois Gives Act is modeled after other States' lessons learned and best practices<sup>3</sup>
- Every \$1 of universal charitable giving tax benefit delivers ROI of \$2.50 to communities

**Illinois Gives Act = FAIR + Simple + Statewide + For Any Charitable Cause**

<sup>1</sup> Previously known as "Endow Illinois Tax Credit"

<sup>2</sup> Family foundations and donor advised funds are not eligible

<sup>3</sup> See [Endow Iowa](#), which has leveraged over \$300 million in charitable giving; in 2020, 96% of donors in IA Iowa gave < \$30,000 ([2021 report](#)).