

Talking Points on Legacy IRA Act

Incentivizing Giving through the IRA Charitable Rollover

- Since its enactment, the IRA Charitable Rollover has generated millions of dollars in new or increased contributions that benefit charities, such as the American Heart Association, and our missions.
- Individuals age 72 and above must take mandatory distributions from their individual retirement accounts (IRAs). These distributions are fully taxed.
- The IRA Charitable Rollover allows individuals to give up to \$100,000 annually of their IRA distributions directly to charitable organizations, such as American Heart Association, without counting the distributions as income.
- For charities across the country, IRA rollover gifts have increased over 70% in the past year due to demographic and tax changes.
- While this form of charitable giving by seniors is skyrocketing, at the same time, the latest IRS numbers indicate that Americans itemized \$54 billion less in charitable contributions in the past year.
- Seniors are a large share of charities' donor base and it is estimated that they have about \$3 to \$5 trillion in IRA assets.
- Because the IRA Charitable Rollover allows seniors to exclude charitable distributions from income and is not tied directly to the charitable deduction, taxpayers with significant IRA resources, regardless of itemizing status, will still benefit from this important charitable giving incentive.

Congress Should Support the Legacy IRA Act

- American Heart Association and our more than 45 national charitable partners are working to support the passage of the bipartisan Legacy IRA Act (S. 1257/H.R. 3832).
- The Legacy IRA Act is a bill that would expand the IRA Charitable Rollover by allowing taxpayers age 65 or over to direct up to \$400,000 annually in IRA distributions to charities through split-interest entities such as charitable gift annuities and charitable remainder trusts.
- The Legacy IRA Act will allow more seniors to benefit from the IRA charitable rollover and, who make up at least half of a charity's most loyal donors, to make tax-free gifts and will also help charities continue raising the funds they need to achieve their critical missions.

THE ASK - We urge Senator/Representative [insert name] to co-sponsor the Legacy IRA Act and to push for its enactment.