

The Charity Aid, Recovery and Empowerment (CARE) Act

The Charity Aid, Recovery and Empowerment, or CARE, Act is currently in limbo in Congress and could die if it is not finalized within the next month. The CARE Act (Senate bill #272) created controversy when introduced initially in 2002, for, while it increases tax exemptions for charitable giving and increases funding for social service programs, it also initially allowed federal funding for religious organizations that provide social service programs. Opponents of the latter issue believe such funding would create an environment of government-sanctioned discrimination in employment, allowing religious organizations that receive federal money to hire only employees who match the organization's faith.

As such, the bill, in a variety of forms, has made its way through both the House of Representatives and the Senate. In its current form, the CARE Act does the following:

1. Allows taxpayers who do not itemize deductions to deduct a portion of contributions made to a charitable organization.
2. Provides taxpayers with incentives to give contributions to charitable organizations from their Individual Retirement Accounts (IRAs).
3. Provides incentives to businesses, including farmers, ranchers, restaurants and small businesses to make donations of food to charitable organizations.
4. Provides low-income, working Americans with the opportunity to acquire assets through Individual Development Accounts (IDAs), through which those who qualify save money to purchase a home, pay for schooling, or start a small business. The federal government matches the individual's contributions.
5. Appropriates \$150 million a year to fund the Compassion Capital Fund to assist small community and faith-based organizations with technical assistance.
6. Appropriates more than \$1.3 billion of additional funding for the Social Services Block Grant, which funds many states' assistance programs for those in need.
7. Protects faith-based organizations that wish to compete for government funding to provide social services if they display religious icons, have religious names, have religious language in their charter documents, or use religious criterion in selecting members of their governing boards.
8. Provides incentives for corporations to make charitable contributions, and contributions of books.

By providing incentives to farmers, ranchers, restaurants, and small businesses to make food donations to charities, the CARE Act would allow these businesses to recoup production costs – a benefit currently enjoyed only by large corporations. In addition, tax incentives to individuals may spur additional giving to charitable organizations, and the additional funds provided through IDAs, the Social Services Block Grant, and the Compassion Capital Fund will assist states in providing social services to those in need.

Currently, neither John McCain nor Jon Kyl, Arizona's senators, sponsors this bill. So, if you wish to express your opinion on the CARE Act to your elected officials, click [here](http://www.smfb.org/advocacy_and_education/advocacy_and_education_take_action.htm) [www.smfb.org/advocacy_and_education/advocacy_and_education_take_action.htm] to find your senator's mailing address, and for a sample letter.

Sources: America's Second Harvest and Thomas Legislative Information.