

President: Deduction limit is fair, adds new revenue: Expects little impact on charitable giving

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The White House's budget proposal to reduce the tax deduction for charitable giving from 35 percent to 28 percent for wealthy givers "would equalize" the benefit common to all taxpayers who itemize their returns, said President Obama in his March 24 news conference.

Obama vigorously defended the reduction for couples who make over \$250,000 a year as "a realistic way for us to raise some revenue from people who benefited enormously over the past several years." His administration has estimated that about \$320 billion would be raised that way over the next decade.

Obama's remarks came a day before Senate and House budget committees began considering his \$3.6 trillion budget plan for the fiscal year starting in October.

To charities that have argued that the change would reduce donations, Obama countered that "there's very little evidence that this has a significant impact on charitable giving. I'll tell you what has a significant impact on charitable giving is a financial crisis and an economy that's contracting."