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**Estate Tax Repeal Would Hurt Charitable Giving, New CBO Reports Say**

*"A permanent repeal of the estate tax would cause severe harm to the nation's charities," said John Irons, Senior Economic Policy Analyst at OMB Watch.*

WASHINGTON -- Two new studies by the Congressional Budget Office (CBO) find that a permanent repeal of the federal estate tax would greatly reduce charitable giving. The CBO estimated that overall charitable giving would decline between 6 and 12 percent, and the decline in charitable bequests would range from 20 to 30 percent, if the estate tax were fully repealed.

"The CBO studies confirm results from independent analysts, and show that estate tax repeal would cause charities to lose between \$12 and \$24 billion in giving per year," said John Irons, Senior Economic Policy Analyst at OMB Watch, a Washington, D.C.-based government watchdog group. Total charitable giving in the United States reached \$201 billion in 2003.

"Not only would repeal of the estate tax clearly devastate our nation's charities," commented Lee Farris, Senior Tax Policy Organizer at Responsible Wealth in Boston, a group that monitors economic inequality. "Repeal would cost the U.S. Treasury \$1 trillion over the next two decades. At a time of record deficits, we as a nation cannot afford this double drain, on revenue as well as on philanthropic funding."

The estate tax is currently slated to be eliminated for one year in 2010, and then return in 2011. Congress is expected to take up the debate on whether to permanently repeal the tax in September.

**Responsible Wealth**, a project of United for a Fair Economy, raises awareness of economic inequality. **OMB Watch** has promoted government accountability, openness and citizen participation since 1983. For more reports and information see our websites: [www.faireconomy.org](http://www.faireconomy.org) and [www.ombwatch.org](http://www.ombwatch.org).

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**Editors' Notes:**

**Press availability** -- John Irons and Lee Farris are available to comment on the implications of federal estate tax repeal upon charitable bequests and giving.

The reports cited above are:

- [The Estate Tax and Charitable Giving](#) by Robert McClelland and Pamela Greene, Congressional Budget Office (July 2004) <[www.cbo.gov/showdoc.cfm?index=5650&sequence=0](http://www.cbo.gov/showdoc.cfm?index=5650&sequence=0)>
- [Charitable Bequests and the Repeal of the Estate Tax](#) by Robert McClelland, Congressional Budget Office (July 2004) <[ftp.cbo.gov/56xx/doc5625/2004-8.pdf](http://ftp.cbo.gov/56xx/doc5625/2004-8.pdf)>

For a state-by-state analysis see [www.ombwatch.org/article/articleview/1853/1/93/](http://www.ombwatch.org/article/articleview/1853/1/93/)