

June 16, 2025 | Here is a comparison between the **Senate Finance Committee tax title** and **H.R. 1 (House-passed bill)**, focusing on **impacts on nonprofits and charitable giving**:

Key Provisions Comparison: Senate vs. House (H.R. 1)

Policy Area	Senate Finance Committee Proposal	House H.R. 1 Proposal	Impact/Notes
Nonitemizer Charitable Deduction	✓ Permanent \$1,000 (individual) / \$2,000 (joint), with 0.5% AGI floor for itemizers (Sec. 70424 & 70425)	✓ Temporary \$150 (individual) / \$300 (joint) for 2025–2028 (Sec. 110112)	Senate version is more generous and permanent, closer to sector asks (like the Charitable Act)
AGI Limit for Cash Contributions	✓ Permanently extends 60% AGI limit (Sec. 70425)	✗ Omits 60% AGI limit; reverts to 50%	Senate version extends 60% AGI limit, a sector priority
Cap on Itemized Deductions	35% cap on itemized deduction value (Sec. 70111)	35% cap on itemized deductions (Sec. 110011)	Reduces tax benefit of giving for high-income donors; new disincentive in both bills
Excise Tax on Private Foundations	✗ No new tax in Senate draft	⚠ New graduated excise tax: 1.39% up to 10% based on asset levels (Sec. 112022)	Senate is favorable to foundations; House proposal could raise \$15.9B over 10 years
University Endowment Tax	⚠ Graduated tax: up to 8% based on endowment/student ratio (Sec. 70415)	⚠ Graduated tax: 1.4% up to 21% based on endowment/student ratio (Sec. 112021)	Senate has significant increase over current law but still less aggressive than House bill, which proposes up to 21%.
Transportation Fringe Benefits (UBIT)	✗ Silent	⚠ Reinstates UBIT for parking and transportation benefits, exempting churches (Sec. 112024)	Senate avoids this nonprofit cost burden
Name and Logo Royalties (UBIT)	✗ Silent	⚠ Subjects licensing income to UBIT (Sec. 112025) – this was	Again, Senate avoids new taxes that would hit branding revenue

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		ultimately removed before final vote.	
Corporate Charitable Giving Floor	✓ Adds 1% AGI floor on charitable deductions by corporations (Sec. 70426)	✓ Same provision (Sec. 112028)	Both include this, raising \$16.6B over 10 years; disincentive to corporate giving
Executive Compensation Tax	⚠ Expands current excise tax to more employees of nonprofits (Sec. 70416)	✓ Also expands scope (Sec. 112020)	Both versions expand reach beyond current top-5 limit; may reduce nonprofit hiring competitiveness

✚ Bottom Line:

- The **Senate Finance bill** is **more favorable to the charitable sector** than H.R. 1. It includes a **stronger, permanent non-itemizer deduction**, **omits several harmful tax hikes** (like new UBIT rules and foundation excise taxes), extends the 60% AGI limit for cash contributions, and **aligns more closely with asks in letters sent by nonprofit sector infrastructure coalitions, including [this one](#)**.
 - **However, both the House and Senate bills include 35% cap on itemized deductions. This will be an area of additional advocacy for the sector.**
 - **The Senate bill also introduces a 0.5% AGI floor on itemized deductions**, a compromise to increase tax deduction benefits to the 92% of taxpayers who do not itemize under TCJA.
- The **House bill (H.R. 1)** contains **multiple sector-opposed provisions**, such as:
 - Expanded excise taxes on foundations and higher education endowments
 - New UBIT on transportation benefits
 - Weak temporary non-itemizer deduction