# Tax Credit for Charitable Donations Would Help Communities

*Nonprofits are concerned that charitable contributions have declined in the past five years as nonprofits needs have increased.* ***State legislators can help ensure that private individuals continue to support the important work of 501(c)(3) nonprofits by creating a state tax credit for charitable contributions made by non-itemizers – essentially a tax cut for generous North Carolinians.***

## Tax incentives for charitable giving help our communities

- In 2025, demand for nonprofits' services is at an all-time high as a result of staggering inflation and the impact of Hurricane Helene in western North Carolina. Record numbers of people across the state are seeking help at food banks, crisis assistance centers, affordable housing providers, community health centers, domestic violence agencies, and consumer credit counseling services.
- At the same time, private fundraising is getting harder for nonprofits. The federal tax law changes that took effect in 2018 mean that **only about 7.5% of North Carolinians now use the charitable deduction on their taxes**, down from more than 30% of taxpayers previously. According to data from the Fundraising Effectiveness Project, **the number of donors to nonprofits has dropped significantly over the past three years** and **charitable contributions have not kept up with inflation.**
- An infusion of private giving is essential to help nonprofits continue to operate and provide essential services. Otherwise, nonprofits' will need to cut back on services, and more North Carolinians will have to look to government to meet their basic needs.

## A state non-itemizer tax credit for charitable contributions would increase giving

- **The General Assembly can help ensure that nonprofits have the resources required to meet communities' needs by creating a state tax credit for charitable contributions made by taxpayers who use the standard deduction.**
- The North Carolina Center *for* Nonprofits is prepared to work with legislators on language that would create meaningful incentives for North Carolinians to give more generously to support the programs and services that nonprofits provide in every community of our state.

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