

U.S. Senate Committee on Finance

For Immediate Release

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Baucus and Grassley Applaud Passage of Proposal to Aid Tsunami Victims

Senators Say Legislation Encourages Charitable Donations for Relief Effort

WASHINGTON – U.S. Senator Max Baucus (D-Mont), Ranking Member of the Senate Finance Committee, joined by Chairman Chuck Grassley, applauded the passage of tax legislation to allow extra time for Americans to make cash donations to charities supporting relief operations in the Indian Ocean basin. The measure was passed by unanimous consent in both the Senate and the House. Baucus proposed this legislation on Tuesday.

Under the new law, taxpayers will be permitted to claim a tax deduction in tax year 2004 for cash donations made before January 31, 2005, for tsunami disaster relief. Under current law, taxpayers would have to wait until 2006 to claim a tax deduction for tsunami-related gifts made after December 31, 2004.

“The passage of this legislation will be a great benefit to those in need,” Baucus said. “I commend my Congressional colleagues for prompt and timely action on this bill. The American people are some of the most generous in the world, and this proposal will give them an extra incentive to support this great cause. Today, Americans have been given an even greater opportunity to support the relief efforts currently underway to help victims of the Indian Ocean tsunami.”

Grassley said, “I appreciate the quick action on this proposal. Americans continue to give generously to tsunami relief, and I hope this extension will encourage them to give even more. I also hope Americans will make sure the charities they choose are above board. As experts predicted, some con artists are trying to turn a profit on this tragedy. Investigators are looking into potential scams involving the sale of relief bracelets and unsolicited e-mails asking for money to help find loved ones missing after the tsunami. My message to donors is simple. Don’t buy a relief bracelet from or give money to groups you don’t recognize. The Better Business Bureau Wise Giving Alliance, GuideStar, the Independent Sector, and others have resources online to guide giving. A little research can go a long way toward stopping crooks in their tracks. Give your money to the needy, not the greedy.”

Charitable organizations have been issuing support of the tax proposal since it was announced earlier this week. Today, those coordinating relief efforts praised the legislation’s final passage. The Catholic Relief Services released this statement regarding the tax proposal.

“Catholic Relief Services supports this legislation and appreciates the efforts of Senators Grassley and Baucus in introducing it. Given the terrible effects of the tsunami, CRS believes it is

critical to provide as much support as possible to victims of the region, particularly considering that the needs for long-term reconstruction will be enormous. Each year as the deadline for making tax-deductible donations approaches, many donors express their preference to us to receive a tax deduction for their charitable gift in the current tax year. By extending the 2004 deadline to January 31, we expect that many donors will choose to respond with giving patterns similar to the traditional deadline at the end of the calendar year.”

The legislation approved by Congress today will be sent to President for his signature.