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As the end of December closes in, many people's holiday ritual includes pulling out the checkbook and a list of charitable organizations they support year after year. Besides helping those in need, the gifts translate to deductions on next spring's tax return.

But some donors are hesitant this year to write those checks as they watch the wrangling in Washington, D.C., over the fiscal cliff and consider the possibility that federal budget negotiations could change the value of charitable deductions in years to come.

Not to mention concerns about whether it makes sense to allocate personal income for donations when the sluggish economy is still far from booming again.

"For some, it's a wait-and-see situation," said Robert Nelkin, president, United Way of Allegheny County, which raises funds for 40-plus agencies that address community issues such as at-risk teens, people with disabilities and seniors. Some United Way donors who have given consistently, he said, "are saying, 'let's see what happens to the talks between the president and Congress, and what happens in particular with the charitable deduction.'"

Tax experts and financial planners are also fielding questions from clients.

"At this point, there's a lot of speculation about what may happen by the end of the year," said Susan Harry, senior associate in the tax services group at Grossman Yanak & Ford, a Downtown public accounting firm. "If no action is taken by Congress, then

tax rates will go up on Jan. 1, back to the level before tax cuts were put in place in the

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making \$250,000 or more a year.

Under that scenario, those wealthier individuals or families could max out their deductions by writing off big-ticket items such as mortgage interest and taxes — and stop short of pledging gifts to charities because they won't be deductible.

Another proposal included in the 2010 White House Fiscal Commission Report would provide a 12 percent tax credit for charitable deductions for all taxpayers regardless of income.

Under current tax laws, those who itemize can deduct charitable contributions according to the tax bracket they fall into. For instance, someone in the 15 percent bracket who donates \$100 to a qualified charity can take a deduction of \$15 while someone in the 25 percent tax bracket can claim a deduction of \$25 for the same \$100 gift.

But if there are no cuts to charitable deductions and the top tax bracket rises to 39.6 percent next year — as is scheduled if Congress doesn't act — a wealthy donor might get more value from his deduction by waiting.

“Their charitable deduction could actually be worth more next year,” Ms. Harry said.

Despite that possibility, Shawn Firster, manager, tax services group at Grossman, said he is advising clients in higher tax brackets to go ahead and make their donations now “and keep their eyes open for what could happen before year's end.”

“There's a lot of doom and gloom out there, so we're seeing a lot of people being conservative about their disposable income,” Mr. Firster said.

As individual taxpayers wrestle with decisions, charities are worried about people who may hold back or decrease their gifts because of the uncertainty.

“I call it the triple-whammy,” Mr. Nelkin said. “And I’ve been calling it that for the

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current year’s campaign, which runs through April 2013.

Last year, the agency raised \$32.3 million, the highest amount in nine years. “The results at this time look very positive for another year of growth ... even during tough economic times,” he said. “There are some very good indications about people renewing [donations] at the same rate and ... increasing.”

Among a group of about 400 wealthy donors who in the past have given United Way large gifts of \$10,000 or more, 73 have already renewed a pledge for the same amount as last year and 54 have increased their commitment, Mr. Nelkin said. Fifteen people have pledged a lower amount.

Among donors of all income levels, 90 percent who have committed money to United Way to date have increased their pledge or kept it at the same level as last year, he said.

Since 75 percent of all United Way donations typically come between mid-October and early December, Mr. Nelkin expects a steady flow to continue until Dec. 31.

If donors raise questions about possible changes in tax laws, he asks them to act now. “We encourage them. The nonprofit agencies that receive donations through us are really in need.”

Charitable donations nationwide in 2011 rose approximately 1 percent to \$298 billion, according to the Giving USA Foundation, which tracks contributions and is affiliated with the Center on Philanthropy at Indiana University.

No matter how much is generated for nonprofits’ coffers in 2012, it’s a sure bet significant dollars will be donated during the last few weeks of the year.

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In a poll of about 1,000 adults, 52 percent said they planned to give to charities this year, down from 57 percent in 2011 and 2010. Among those who had already donated to victims and relief efforts related to Superstorm Sandy, 78 percent said they would still make their annual year-end gifts to other charities.

And though this tech-savvy age provides donors a range of options for making their gifts, including cell phone texts or social media, the Red Cross survey found that a majority prefer to do their transactions the old-fashioned way: 56 percent of individuals said the most effective means of donating was to put money aside in a canister or give it to people who solicit in public.

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