

July 24, 2017

To Congress:

I write, on behalf of the nearly 1,500 nonprofit members that the Nonprofit Coordinating Committee of New York represents, to urge you to protect the nonprofit sector by voting to maintain the protections of the Johnson Amendment and for sensible tax reform that encourages charitable giving. NPCC helps New York nonprofits thrive to build better communities for all. As a 501(c)(3) nonprofit member organization and advocate since 1984, we support our nearly 1,500 members by encouraging strong, transparent, and informed management and by advocating for fair and reasonable nonprofit public policy.

The Johnson Amendment

As the attached letter from the National Council of Nonprofits outlines, the Johnson Amendment is a vital protection to nonprofits. Without it, we would become political organizations focused more on the needs of politicians than their constituents and our communities. The public trusts charitable organizations to solve problems in communities in large part because we are free from partisan influences. The broad nonprofit community opposes changes to the Johnson Amendment, as expressed by nearly [one hundred religious denominations and organizations](#), more than [3,000 religious leaders](#), [89 percent of evangelical pastors](#), more than [4,800 charitable nonprofits](#), houses of worship, and foundations, and [72 percent of American voters](#). We urge you to vote against legislation and amendments that would roll back these protections.

Tax Reform

As Congress considers the question of tax reform, we urge you to support sensible tax reform that encourages charitable giving. Promoting giving to the work of charitable nonprofits is a bipartisan commitment to communities and constituents. The reasons are simple: all Americans rely on charitable nonprofits *every day*, and nonprofits of *all sizes* and in *all subsectors* rely on the current charitable giving incentive to help pay for delivering existing services and programs. Without support from the general public, nonprofits will be more dependent on the government to fill funding gaps, or have to make the dire choice of turning people in need away.

Specifically, we believe the following policies are critical to the health of the nonprofit sector, and our communities:

1. **Keep the current standard deduction.** Leading tax reform plans call for reducing tax rates and significantly increasing the standard deduction. While based in recognized policy goals, these changes could result in harmful unintended consequences: reduced individual support for the work of charitable nonprofits in communities.
2. **Do not cap itemized deductions.** The experience with recent tax policy experiments in the states demonstrates that giving back to communities is highly responsive to changes in tax incentives. In 2011, Hawai'i capped itemized deductions, including charitable donations, and giving declined by an estimated \$50 to \$60 million per year until the cap on charitable donations was lifted two years later. Several other states have considered and rejected negative changes to giving incentives because legislatures have reached a common understanding: Communities rely on charitable giving to solve local problems.
3. **Support a Non-Itemizer Deduction.** The Committee and Congress can expand the incentive for giving back to communities by making deductions universally available to all

Americans through a non-itemizer deduction for charitable contributions. The addition of a non-itemizer deduction would help overcome the significant decrease in charitable giving that most economists predict will otherwise occur as the number of itemizers decreases. Extending the charitable deduction to all taxpayers — regardless of whether they itemize or take the standard deduction — would not only cancel out the negative effects on giving, but it would increase charitable dollars given to strengthen and build communities by \$4.8 billion.

We know that these policies will have a significant impact on the nonprofit sector, including our members. The New York nonprofit sector supports individuals and communities by providing needed resources, including affordable housing, child care, youth development, job availability, healthcare services, and access to well-performing schools. It also enhances and enriches our society through providing exposure to the arts and culture. We urge you to protect the sector from a repeal of the Johnson Amendment and to assure that charitable giving remains a priority in tax reform.

I would be happy to meet with you to discuss these issues in depth. I can be reached at 212.502.4191, ext. 229, or [sstapel@npccny.org](mailto:ssstapel@npccny.org).

Very truly yours,

Sharon Stapel
President

Enclosure: **Recommendations of the National Council of Nonprofits on Comprehensive Tax Reform**