November 8, 2017

The Honorable Kevin Brady
The Honorable Richard Neal
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Brady and Ranking Member Neal:

As the Ways and Means Committee has undertaken the long and arduous process of reforming our nation’s tax code, the Charitable Giving Coalition and thousands of charitable organizations across the country have cautioned committee members about the potential negative consequences of tax reform. Our deep apprehension has been validated by the Joint Committee on Taxation (JCT).

A November 7, 2017 memorandum from JCT Chief of Staff Thomas Barthold confirms the coalition’s concern that doubling the standard deduction threshold will dramatically reduce the number of taxpayers who benefit from the charitable deduction. Under current law, JCT estimates that 40.7 million taxpayers who itemize will deduct charitable contributions totaling $241.1 billion in 2018. If H.R. 1 is enacted, JCT finds that only 9.4 million taxpayers who itemize will deduct charitable contributions totaling $146.3 billion in 2018. Without changes, H.R. 1 reduces the amount of charitable gifts that taxpayers deduct by nearly $100 billion.

Most certainly, a dramatic loss in charitable giving will generate significant, negative consequences for America’s charitable organizations and the constituents they serve. The CGC and our colleagues have proposed a fair and efficient resolution that will continue to encourage Americans to redirect their dollars to charities: a universal charitable deduction available to all taxpayers. This would assure that contributions to charities are not taxed by the federal government and that taxpayers who currently take the deduction for their gifts will continue to be incentivized.
The CGC is committed to active and constructive participation with the House and Senate in coming weeks as the tax reform proposal continues to progress. Our collective, unifying goal should be to ensure that America’s communities and charities thrive and remain strong, diverse, and effective.

Most sincerely,

Jason Lee
Association of Fundraising Professionals &
Chair, The Charitable Giving Coalition

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The Charitable Giving Coalition

Representing private and community foundations, their grantees and independent charities, the Charitable Giving Coalition’s members include United Way Worldwide, the Salvation Army, Catholic Charities USA, the American Council on Education, Jewish Federations of North America, the American Institute for Cancer Research, the Association of Fundraising Professionals, Independent Sector, the Council on Foundations, United Philanthropy Forum and The Philanthropy Roundtable, among others. Formed in 2009, the coalition is dedicated to preserving the charitable giving incentive that ensures that our nation’s charities receive the funds necessary to fulfill their essential philanthropic missions. The coalition provides a unique and unified voice on Capitol Hill on issues affecting the charitable deduction, a voice composed of both direct lobbying and robust grassroots advocacy. www.protectgiving.org, #protectgiving, @protectgiving