

# Hot Tax Issues in 2025 and Nonprofit Priorities

What Nonprofits Need to Know Before the Tax Reform  
Debate Begins

**January 16, 2025**

# Hot Tax Issues in 2025 and Nonprofit Priorities



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## Agenda

- Nonprofit Nonpartisanship
- Charitable Giving
- Human Services
- Arts and Culture
- Philanthropy
- Q&A

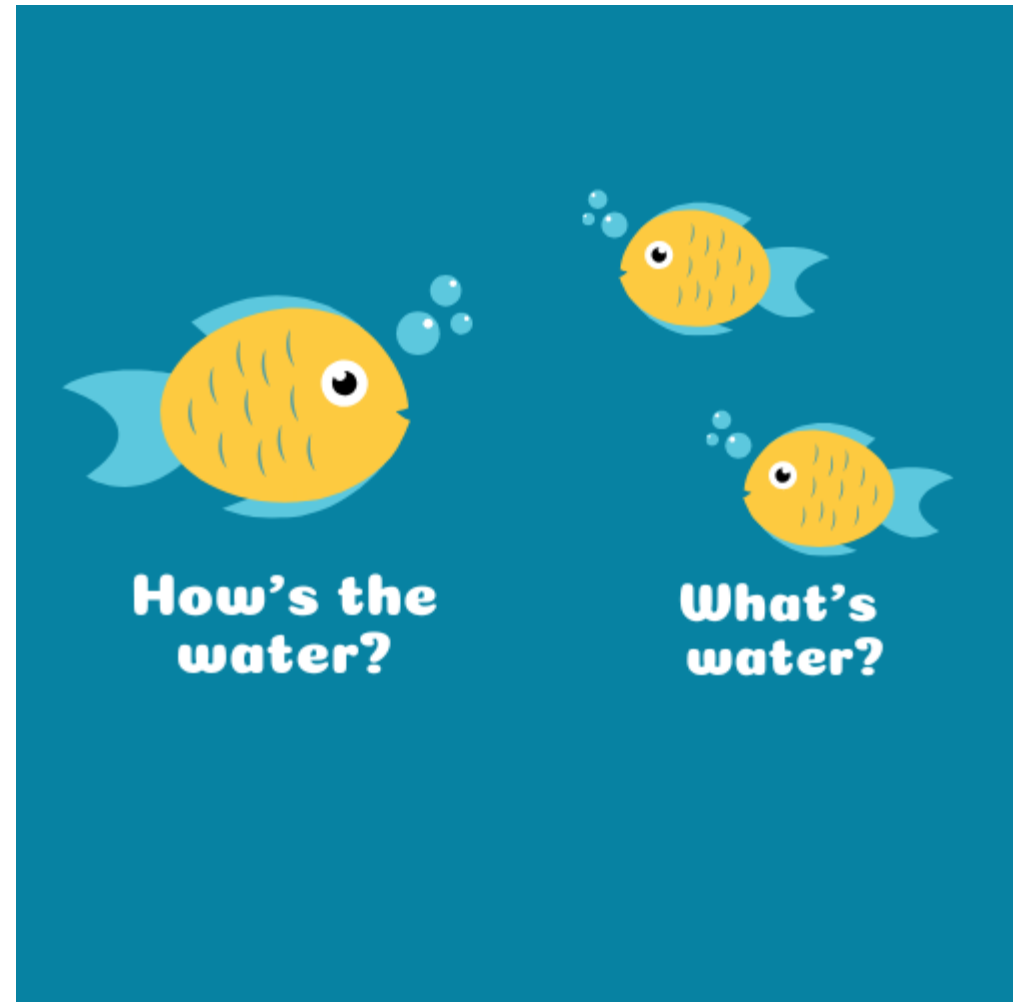


# Nonprofit Nonpartisanship



**Tiffany Gourley Carter**  
Policy Counsel  
National Council of Nonprofits

# Nonprofit Nonpartisanship



**A charitable nonprofit may not “participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.”**

**I.R.C. § 501(c)(3)**

A charitable nonprofit may not “participate in, or interfere with, any campaign or election (including or political action to) or any other activity that is primarily for the private in-  
terest of any individual.”

**No Money**  
**No Time**  
**No Resources**

I.R.C. § 501(c)(3)

# Nonprofit Nonpartisanship

## In practice:

- Complete **ban**.
- Cannot **endorse** or **oppose** candidates for office.
- Cannot contribute **money**, **time**, or **resources** (donor lists) to help elect or defeat candidates
- Must remain nonpartisan in **law** and **fact** and **purpose**.



# Nonprofit Nonpartisanship

## Why?

- **Protects** missions and communities
  - Staff time
  - Donations
  - Partisan leanings
- Instills **trust**
  - No *republican vs. democrat* foodbanks
- Allows for **problem solving**
- **Keeps out partisan hacks**

# Nonprofit Nonpartisanship

## Threats

- 2017 Tax Law (removed in 11<sup>th</sup> Hour)
- 2017 Executive Order (no effect)
- 2024 Lawsuits (ongoing)
- Priority for current House Speaker Johnson

# Charitable Giving and the Tax Code



**Steven Woolf**  
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National Council of Nonprofits

# Charitable Giving and the Tax Code

## Since 1917

- Generally limited to taxpayers that itemize (1944)
- Temporary “above-the-line” deduction
  - 1981 – 1986: percentage/dollar cap
  - 2020 – 2021: \$300 - \$600

# Charitable Giving and the Tax Code

## 2017 Tax Law Provisions Expiring 2025

- Tax Rates
- Standard Deduction
- State and Local Tax (SALT) Deduction

# Charitable Giving and the Tax Code

## 2017 Tax Law Impact

- Restriction on deductions greatly reduced number of taxpayers that itemize: 31% (2017) to 8.5% of tax returns (2022)
  - Charitable Contributions: \$385B by individuals
  - \$100B from nonitemizers
  - \$285B from itemizers

# Charitable Giving and the Tax Code

## 2017 Tax Law Impact

- Charitable Contribution Deduction: 7.5% of tax returns
  - Taxpayers with incomes > \$100,000
    - 2/3 of tax returns
    - 90% of charitable deductions
  - Taxpayers with incomes > \$1M
    - 60% of charitable deductions

# Charitable Giving and the Tax Code

## 2025 Tax Debate

- Extension of Provisions
  - Tax Cuts
  - Standard Deduction
  - State and Local Tax (SALT)



# Charitable Giving and the Tax Code

## 2025 Tax Debate

- Charitable Giving Proposals
  - Charitable Act – “above-the-line” percentage of standard deduction
  - Pros and Cons
    - Cost
    - Floor/Ceiling
    - Tax Credit vs. Deduction

# Charitable Giving and the Tax Code

## 2025 Tax Debate

- Other Provisions
  - Endowment Excise Tax
    - Expand within/without higher ed
  - Planned Giving Vehicles
    - Trusts such as GRATs
    - DAFs and Private Foundations

# Human Services



**Laura Walling**  
Vice President of Government Affairs  
Goodwill Industries

# Arts and Culture



**Tooshar Swain**  
Director of Public Policy  
Americans for the Arts

# Philanthropy



**Jenn Holcomb**

Vice President, Government Affairs and Legal Resources  
Council on Foundations

Q&A

# About NCN

## National Council of Nonprofits

Communities thrive when nonprofits succeed. For more than 30 years, the National Council of Nonprofits has mobilized the nation's largest sector-wide network of nonprofits to achieve transformative results. We champion, connect, and inform nonprofits across the country. Join our collective efforts to ensure a connected and powerful nonprofit community equipped to champion the public good.