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Charitable Nonprofits to Congress: The Final Tax Bill Would Sabotage Our Work in Communities. Kill the Bill and Start Over.

Tim Delaney, President and CEO of the National Council of Nonprofits, which advocates on behalf of charitable nonprofits nationwide, released the following statement in opposition to the deal reached by a majority of conferees on the Tax Cuts and Jobs Act:

"The deal made public today by Republican tax conferees – if enacted – will prove disastrous to the work of charitable nonprofits in communities across America. We strongly urge every Representative and Senator to vote **No** on this bill and start over to write legislation that enhances rather than harms the work of charitable nonprofits.

"This new bill squarely fits the definition of '**sabotage**: the willful damage, destruction, impairment, or undermining of something.' Charitable nonprofits and foundations have repeatedly warned against many harmful provisions in the bill, yet Congress is willfully moving forward. If enacted, the bill would, among other things: damage charitable giving by \$13 billion or more annually; destroy more than

220,000 nonprofit jobs; and *impair* the ability of nonprofits to address community needs by taxing tax-exempt organizations to fund tax cuts for wealthy corporations and individuals. As further sabotage, the tax bill would *undermine* our collective future by expanding the deficit by \$1.5 trillion, leading to significant spending cuts to states and localities that in turn will shift even more burdens onto nonprofits. Those all add up to making it almost impossible for nonprofits to continue to serve people in our communities effectively.

"The consequences of the tax bill will be devastating to the millions of people around the country who rely on charitable nonprofits for everything from food and shelter to faith-based sanctuaries and job training to a safe place to escape domestic abuse and enrichment through the arts. With even more spending cuts for services people rely on coming shortly, organizations that already have been stretched too far to continue to provide services to an ever-growing number of people with ever-shrinking budgets are simply going to have to turn people away, discontinue vital programs, and even close their doors entirely. All of these are the foreseeable results of a bill that fails to look past the short-term 'win' of cutting taxes to recognize the very high price the public will be expected to pay.

"The only 'good' thing about the new bill is that it stripped out the outrageous attempt to politicize charitable nonprofits, houses of worship, and foundations, the anti-Johnson Amendment language that had been in the House-passed bill. While we know the fight to protect 501(c)(3) organizations from the toxic influence of partisan politics isn't over, we thank every person who signed the Community Letter or the Faith Voices letter; who sent an email, made a phone call to, or visited in-person with their Representatives and Senators; who wrote an op-ed or letter to the editor in their local paper; and many other efforts. Unfortunately, the House tried this in its previous appropriations bill and likely will attempt to sneak another such inappropriate policy rider into the next spending bill.

"Simplifying the tax code could have been a noble exercise, but this bill would do much more harm than good. Congress should vote no and then go back to the drawing board. Listen to your constituents. And write a tax reform bill that works for people in local communities."

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The National Council of Nonprofits (Council of Nonprofits) is a trusted resource and proven advocate for America's charitable nonprofits. Connecting the policy dots

across all levels and branches of governments, the Council of Nonprofits keeps nonprofits informed and empowered to create a positive public policy environment that best supports nonprofits in advancing their missions. Working with and through the nation's largest network of nonprofits – with 25,000-plus organizational members - we identify emerging trends, share proven practices, and promote solutions that benefit charitable nonprofits and the communities they serve.