



February 22, 2019

The Honorable Richard Neal
2309 Rayburn House Office Building
Washington, DC 20515

Dear Representative Neal:

On behalf of the Providers' Council and the Massachusetts Nonprofit Network – two state associations of nonprofits in Massachusetts – we write to urge the immediate repeal of Internal Revenue Code Section 512(a)(7), the new income tax on expenses incurred by nonprofits for providing employee transportation benefits, such as parking and transit passes.


This new tax is forcing hundreds of thousands of charitable nonprofits, community-based human services providers, houses of worship, foundations and other nonprofits to conduct extensive and costly assessments of their expenses related to parking, subway cards and bus passes to determine whether and how much in tax payments they must submit to the IRS. **Notably, these payments are coming due in a matter of weeks unless Congress acts immediately to repeal the tax.** There is an urgent need for congressional action, and we seek your support to protect nonprofits in Massachusetts.


There is strong bipartisan support for eliminating this unfair tax on organizations dedicated to addressing problems in communities throughout the United States. Last December, the House passed a bill that, among other things, would have repealed the nonprofit transportation tax. Bills in the current 116th Congress – HR 1223 by House Majority Whip Clyburn and HR 513 by Representative Conaway – also target Section 512(a)(7) for repeal. Bipartisan opposition in the Senate is equally strong, as evidenced by bills introduced last year.

The repeal of Section 512(a)(7) is a matter of urgency. We urge you to do everything in your power to ensure that legislation eliminating this levy passes Congress in the next few weeks before nonprofits in our state must divert funds from their mission in order to pay this unjust tax.

Thank you for your time and your consideration of this request. We would be happy to speak with you in further detail about this provision and the impact it has on our members across the Commonwealth.

Sincerely yours,


Michael Weekes
President/CEO
Providers' Council


Jim Klocke
President/CEO
Massachusetts Nonprofit Network