



WASHINGTON NONPROFITS

WE MAKE SURE NONPROFITS HAVE WHAT THEY NEED TO SUCCEED.

Washington Nonprofits welcomes the opportunity to respond to the Request for Comments published in Notice 2018-99. As an affiliate of the National Council of Nonprofits, Washington Nonprofits fully supports the National Council's comments submitted on February 20, 2019¹ and encourages the Treasury Department and IRS to review their document. However, we would like to specifically echo these particular points that are important to nonprofits in Washington State:

- The most significant issue with this rule making process is that rules are still being made while taxes are due. Many organizations are still uncertain about what their obligations are under the new laws. Therefore, we request that the Treasury and IRS delay implementing the new rules until all of the rules are complete.
- The current guidance offered by the IRS, particularly as it relates to parking and other fringe benefits, is insufficient and too complex for the average nonprofit leader to decipher. Therefore, we request that the Treasury and IRS issue additional guidance in plainer language so that there is no ambiguity about what the new tax obligations are for nonprofit organizations.
- Taxing government-mandated commuter benefits is simply unfair to employers and employees alike. In addition, it impinges upon local governments' discretion to make policies that benefit commuters and residents. In Seattle, where Washington Nonprofits and thousands of nonprofits are located, there is a local commuter benefits ordinance that takes effect in 2020 for employers with 20 or more employees². The new 21% tax on transit benefits will make it more difficult for nonprofit employers to comply with local laws that are designed to suit local needs. We request that the Treasury and IRS exempt employers in localities with government-mandated commuter benefits from the new 21% tax.

ABOUT WASHINGTON NONPROFITS

Washington Nonprofits is Washington's state association for nonprofits. Its mission is to make sure nonprofits have what they need to succeed. It helps nonprofits learn, increase their influence, and connect to people and resources. Visit our website at

¹ National Council of Nonprofits. "Re: Notice 2018-99." February 20, 2019.

<https://www.councilofnonprofits.org/sites/default/files/documents/Notice-2018-99-Comments-of-National-Council-of%20Nonprofits-2-20-2019.pdf>

² City of Seattle. "Commuter Benefits Ordinance." <https://www.seattle.gov/laborstandards/ordinances/commuter-benefits>

www.washingtonnonprofits.org or contact Washington Nonprofits' Public Policy Director David Streeter at (855) 299-2922 for more information.