Dear Senators

The charitable nonprofit and foundation communities stand united in opposition to the Tax Cuts and Jobs Act and, in the strongest possible terms, urge a “NO” vote on the bill. The current legislation damages the civic infrastructure upon which our communities depend, and hurts the people that we serve.

We collectively represent tens of thousands of charitable and philanthropic organizations that employ millions of individuals in every state, engage tens of millions of additional individuals who serve as board members and other volunteers, and touch the lives of virtually every American every day. For 100 years, federal tax policy has incentivized this giving spirit and empowered this crucial work. Our overriding concern, and that of our member organizations, is the impact of both versions of the Tax Cuts and Jobs Act on the people and communities we serve. On the basis of securing a sound future, maintaining our ability to serve as dedicated problem solvers in our communities, and the ability of the sector to secure resources to perform necessary work, the Tax Cuts and Jobs Act is fatally flawed.

The goal of simplifying the tax code and making it easier for Americans to file their taxes is admirable, but the collateral damage this simplification would cause is too great a cost. According to Republican estimates, nearly doubling the standard deduction would result in only five percent of taxpayers itemizing their tax deductions — placing the charitable deduction out of the reach for 95 percent of taxpayers. As a result, experts calculate that the absence of this powerful incentive for such a vast majority of taxpayers would reduce giving by $13 – $20 billion every year. It is regrettable that neither chamber has recognized the simple solution to this issue: a universal charitable deduction that would extend an incentive to give to all taxpayers, not just the very few who would itemize.

A decrease in giving of this scale would force charitable nonprofits to make significant cuts to their operations—meaning that millions of people will no longer have access to the services that nonprofits are currently able to offer. Economists also estimate a loss of 220,000 to 264,000 jobs in the nonprofit sector as a result of the cuts that will be necessary for many charities to keep their doors open. A bill that is designed to create jobs shouldn’t be taking away the jobs of almost a quarter of a million Americans who are trying to help others.

While we were encouraged to see that the Senate bill does not contain the same provision that was buried in the House bill to repeal the so-called “Johnson Amendment,” we continue to hear that this provision may be offered as an amendment to the Senate version, or could survive in the bill post-conference. This provision alone is independent grounds for the entire tax package to be rejected. More than 5,500 nonprofits and foundations, more than 4,200 faith leaders, more than 100 religious and denominational organizations, the state law enforcement officials who focus on regulating nonprofits, 89 percent of Evangelical pastors, and 79 percent of the American public have expressed steadfast support for the law that has been in place for more than 60 years. The nonprofit and foundation communities strenuously oppose the addition of corrosive partisanship to our sector. The proposal to take this important protection away is an affront to organizations that are dedicated to improving our communities through nonpartisan engagement. Current law doesn’t cost anything, but the unwanted change would cost taxpayers billions of dollars, according to the Joint Committee on Taxation.

Our three organizations stand ready to work with Congress on future legislation to improve our communities and strengthen civil society through the tax code. However, for the reasons stated above and many more that affect the people in communities across this country that rely on our services, we must urge each of you to vote “NO” on the tax bill before the Senate.

Respectfully,

Vikki Spruill
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Tim Delaney
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