



Protecting America's Strong Tradition of Giving

September 18, 2014

The Honorable Paul Ryan
U.S. House of Representatives
1233 Longworth House Office Building
Washington, DC 20515

Dear Chairman Ryan:

The Charitable Giving Coalition, representing a broad cross-section of nonprofit organizations across the country, thanks you for publicly recognizing the value of the charitable deduction. Your recent, public comments acknowledge that the charitable deduction is different than other itemized deductions in that it encourages individuals to give away a portion of their income to those in need. It rewards a selfless act and ensures a greater amount of charitable donations to charities to fund their philanthropic missions that provide innumerable benefits throughout our communities.

We did want to share with you that we have concerns about some of the proposed changes to the deduction included in Representative Camp's *Tax Reform Act of 2014*. Specifically, we believe the two percent of adjusted gross income (AGI) floor for charitable gifts would dramatically decrease giving, particularly to those charities that largely rely on small, private donations. One survey indicated that the charitable sector would lose \$3 billion per year in charitable contributions if a two percent (AGI) floor were imposed.¹ We also are concerned about streamlining the AGI limitations which would disincentivize cash gifts in favor of gifts of property, and then, limiting the deductions of most contributions of property to basis, rather than fair market value. Taken together, these proposed changes could potentially eliminate the charitable deduction for 95% of all taxpayers.

The charitable sector and those served by our charities continue to feel the effects of the recession, and we are just now seeing an uptick in both charitable contributions and philanthropic programs and services. Now is not the time to experiment with the charitable deduction.

¹ Statement of Frank J. Sammartino, Assistant Director for Tax Analysis, Congressional Budget Office, "Options for Changing the Tax Treatment of Charitable Giving," Senate Committee on Finance, Oct. 18, 2011.

We again thank you for your support of the charitable sector and the invaluable deduction that spurs giving. We look forward to working with you and your staff on this important issue as tax reform continues to take shape.

Sincerely,

Association of Fundraising Professionals, Chair
Agudath Israel of America
Alliance for Charitable Reform
American Alliance of Museums
American Institute for Cancer Research
American Jewish Committee
American Red Cross
American Society of Association Executives
Americans for the Arts
Americans for the Arts Action Fund
Association for Healthcare Philanthropy
Association of Art Museum Directors
Association of Christian Schools International
Association of Direct Response Fundraising Counsel
Association of Gospel Rescue Missions
Council for Advancement and Support of Education
Council for American Private Education
Council for Christian Colleges & Universities
Council on Foundations
Dance/USA
DMA Nonprofit Federation
Dunham+Company
Educational Media Foundation
Evangelical Council for Financial Accountability
Forum of Regional Associations of Grantmakers
Fraternity and Sorority Political Action Committee
Girl Scouts of the USA
Goodwill Industries International
Jewish Federations of North America
Leadership 18
LeadingAge
League of American Orchestras
National Association of Independent Schools
National Catholic Development Office
National Council for Behavioral Health
National Panhellenic Conference
North American Interfraternity Conference
OPERA America
Partnership for Philanthropic Planning
Performing Arts Alliance

The Philanthropy Roundtable
Theatre Communications Group
United Way Worldwide
Volunteers of America