



*Protecting America's Strong Tradition of Giving*

September 22, 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.<sup>1</sup> 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 and other 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.

---

<sup>1</sup> 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  
Independent Sector  
Jewish Federations of North America  
Leadership 18  
LeadingAge  
League of American Orchestras  
National Association of Independent Schools  
National Catholic Development Conference  
National Council for Behavioral Health  
National Panhellenic Conference  
North American Interfraternity Conference  
OPERA America  
Partnership for Philanthropic Planning

Performing Arts Alliance  
Philanthropy Ohio  
The Philanthropy Roundtable  
Theatre Communications Group  
United Way Worldwide  
Volunteers of America