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March 12, 2012

The Honorable Sheldon Whitehouse
United States Senate
SH 717, Hart Senate Office Building
Washington, DC 20510

Dear Senator Whitehouse:

On behalf of Independent Sector, a leadership coalition of nearly 600 public charities, private foundations and corporate giving programs, and the undersigned nonprofit organizations, we would like to express our appreciation to you for recognizing the unique status of the charitable deduction in the "Paying a Fair Share Act" (S. 2059).

For nearly a century, since the Revenue Act of 1917 first created the charitable income tax deduction, our nation's tax system has strongly encouraged Americans to give back to their communities by providing tax deductions for contributions to charitable organizations. These policies helped fuel a strong tradition of giving that has strengthened our educational system, broadened access to health and human services, fostered an appreciation for our history and cultural heritage, advanced scientific and medical research, and supported a variety of other programs vital to the health of our nation and communities around the world. We are pleased that S. 2059 would maintain this powerful giving for all eligible taxpayers, including the wealthiest Americans.

As you have recognized, the charitable deduction – unlike other tax deductions -- encourages behavior for which the taxpayer receives no personal tangible benefit. The charitable deduction does not subsidize personal consumption or underwrite the accumulation of personal wealth. In fact, it encourages taxpayers to give away a portion of their income to benefit others through nonprofit organizations whose tens of millions of volunteers and employees work to improve lives in every community across America. By protecting the charitable deduction, the "Paying a Fair Share Act" acknowledges that it is a fair and efficient way for government to spur investment in our communities.

We hope that you will also strongly consider exempting the charitable deduction from the Pease limitation on itemized deductions that is scheduled to return to law in 2013. The Pease limitation serves to reduce the incentive effect of the deduction, and an exemption for charitable giving is consistent with the legislation's recognition of the charitable deduction as a mechanism to put resources directly back into communities, rather than a direct subsidy for the taxpayer.

As the debate over comprehensive tax reform continues, we are encouraged that the “Paying a Fair Share Act” preserves the charitable deduction and acknowledges its important role as a powerful incentive for individuals to give back. We thank you for this vital first step.

Sincerely,



Diana Aviv
President and CEO
Independent Sector

The Alliance FOR Nonprofits Washington
American Association of Museums
American Cancer Society Cancer Action Network
American Chemical Society
American Composers Forum
American Heart Association
Americans for the Arts
ASAE, The Center for Association Leadership
Association for Healthcare Philanthropy
Association of Art Museum Directors
Association of Fundraising Professionals
Association of Performing Arts Presenters
Center for Nonprofit Excellence
Chorus America
Council on Foundations
Cystic Fibrosis Foundation
Dance/USA
Easter Seals
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Independent Sector
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Komen Advocacy Alliance
LeadingAge
League of American Orchestras
Lutheran Services in America
Michigan Nonprofit Association
National Alliance for Musical Theatre
National Association of Latino Arts and Culture
National Council of La Raza (NCLR)
National Performance Network
The Nature Conservancy

Network for Good
New Music USA
Nonprofit Coordinating Committee of New York (NPCC)
Ohio Association of Nonprofit Organizations
OPERA America
PACT - Positive Alternative Choices Today
Pennsylvania Association of Nonprofit Organizations
Performing Arts Alliance
Public Allies
Sanford School of Public Policy, Duke University
Theatre Communications Group
Tides and The Advocacy Fund
United Way Worldwide
Volunteers of America
YMCA of the USA