February 16, 2017

The Honorable Michael Bennet  
261 Russell Senate Office Building Washington DC, 20510

Dear Senator Bennet,

We write to raise the concerns of Colorado’s charitable nonprofits as the 115th Congress considers comprehensive tax reform. Over 128,000 Coloradans work for more than 23,000 charitable nonprofits, earning $1.5 billion in wages and salaries, and generating $25.3 billion in revenues to provide vital community services. Coloradans support nonprofits generously, giving $3.4 billion according to 2014 IRS data.

Charitable nonprofits throughout Colorado and the United States are dedicated to the public good; our work improves lives, strengthens the economy, and lightens the burdens of government, taxpayers, and society. Important elements of the tax code affect the operations and resources of nonprofits, including tax rates, the standard deduction, the estate tax, and many more. All must be addressed in the context of overall tax reform.

For the sake of our communities, we ask that you keep this question before you as tax policy proposals are presented. “Does a potential tax policy change enhance, or does it undermine, the ability of individuals to secure essential services, to enjoy the programs and activities that enhance their quality of life, and uplift the spirit of faith, innovation, and inspiration in communities across Colorado?”

In light of that question, we seek your support in not only protecting but also enhancing the charitable deduction as a vital incentive for individuals to give back to their communities. On its hundredth anniversary, we are concerned about reports that Congress could limit, alter, or diminish its impact. This incentive has generated critical donations to further the work of organizations such as religious institutions, domestic violence shelters, early childhood programs, food banks, school alumni groups, and many other nonprofits.

Numerous proposals would actually undermine this work. Capping all itemized deductions, including the charitable deduction, would in effect take away this giving incentive for most individuals. They are likely to reach the cap with other itemized deductions first because those deductions relate to their fixed costs. Rather than limiting it, Congress could encourage increased charitable giving by all Americans by creating a deduction for non-itemizing taxpayers.

We ask you to support our communities by standing firmly in support of the charitable deduction. This incentive for giving is critical to the work of nonprofits in meeting demand for essential services, enhancing quality of life, and uplifting the spirit of faith, innovation, and inspiration in communities across America.

Sincerely,

Mark Turner, Senior Director of Public Policy