AFP Capitol Region, Government Relations

Newsletter January 2019

Greetings and Happy New Year from your Government Relations committee! My name is John Adams and I am returning to the chair of this committee after taking a year off. Therefore, I am eager to get back to the business of linking you to current policy issues and opportunities. Our goal is to make sure you are aware of these pending policy issues, as they can affect how we operate as nonprofits and our ability to be effective fundraising professionals.

For starters, please let me offer two resources that you might find helpful. Cal Nonprofits is an organization that many of you are already aware of and per the links below, they offer ongoing content to help us keep informed, particularly at the state level, although they do have some federal policies that they track as well. They also offer a guide to finding your state and federal representatives, in case any of the ongoing policy decisions become critical matters that would benefit from our active engagement with our elected officials.

Cal Nonprofits links
Federal policy Federal Policy - CalNonprofits
State policy Policy Alerts - CalNonprofits
Guide to find state and federal elected officials Engage Your Elected Officials - CalNonprofits

The National Council of Nonprofits is another organization who has policy issues affecting nonprofits at the core of their mission as well.
Trends & Policy Issues | National Council of Nonprofits

The biggest issue that we all need to keep our eyes on right now, is the 2017 Tax Cuts and Jobs Act, aka “Trumps Tax Cut.” This legislation ushered in significant tax code revisions. One of the largest changes in that act for individual taxpayers, is a change to itemized deductions that roughly doubled the threshold before charitable donations can be itemized.

The standard deduction for a couple now has increased to $24,000, which means couples can't itemize charitable giving until they surpass that threshold in deductions. What that means is that fewer people will be in a position to itemize charitable donations, which could dissuade or reduce end-of-year giving.

The National Council of Nonprofits estimated the increased standard deduction could result in a loss of $13 billion in donations to charitable nonprofits each year, and the loss of as many as 264,000 jobs in the nonprofit sector. The biggest concerns are for small to mid-sized nonprofits, that rely primarily on small donations from individual taxpayers, who likely won't have enough deductions to surpass the $24,000 threshold for itemized deductions.

One potential fix to this potentially huge problem, is the Universal Charitable Giving Act of 2017, introduced in late 2017. This bill proposes creating a **universal charitable deduction**, in addition to the standard deduction, for taxpayers who don't meet the new, higher itemized deduction threshold. The bills authors have said the bill could undo unintended consequences in the tax bill and allowed donors to continue supporting charitable organizations in their communities. While there remains some hope that bill will be enacted, it has remained stagnant in the Senate Committee on Finance since last November. We will continue to monitor and report on this critical situation.

Thank you again for the opportunity to be of service. If anyone has interest in serving on this committee, it would be great to hear from you! I can be reached via email at jadams@impactfoundry.org Please stay tuned for updates and let us know if there are specific issues you would like us to research further.