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Nonpartisan Nonprofits to Political Parties: Join the Fight to Keep Partisan Politics Away from 501(c)(3) Organizations

In a <u>letter delivered today</u>, the National Council of Nonprofits alerted the chairs of the House and Senate Democratic and Republican party campaign committees to a provision in the House-passed tax bill that would significantly undermine the ability of charitable organizations to serve their communities while also frustrating the ability of political parties to raise the funds they need to support candidates. The letter calls on the campaign committee chairs to demand that their colleagues on the tax conference committee retain the Johnson Amendment, the longstanding provision in federal law that protects all 501(c)(3) nonprofit organizations from being pressured to participate in political campaigns for or against candidates for public office. The weakening of this protection would have severe implications, not only for America's charitable nonprofits, houses of worship, and foundations, but also every American who benefits from the vital community services these organizations provide. The letter highlights the devastating impact that tampering with existing proven law would have on elections, including party committees and their ability to fundraise. The Joint Committee on Taxation (JCT) estimates that the provision to weaken the Johnson Amendment, in Section 5201 of the House-passed tax bill, would cost the U.S. Treasury \$2.1 billion for the five years it would be in effect. This cost means deductions of between \$6 billion and \$8 billion for political contributions that donors would be able to claim as itemized deductions. As a result, for the first time in American history political donors could get a tax deduction for their political campaign contributions.

"Presented the choice of contributing to your campaign committees, where donations aren't tax deductible, and going around you to contribute to a 501(c)(3) organization to get a tax deduction, which option will your donors choose?" asked Tim Delaney, President and CEO of the National Council of Nonprofits in the letter.

To highlight the risks to the party campaign committees, the letter to Senator Cory Gardner (R-CO), Representative Steve Stivers (R-OH), Senator Chris Van Hollen (D-MD) and Representative Ben Ray Luján (D-NM) states: "We trust that you do not want moneys on which you rely to be siphoned away from political parties to flow to unregulated, undisclosed, and uncontrollable entities that emerge right before and disappear right after elections (think pop-up churches that don't even have to register with the IRS) to support unvetted and embarrassing candidates because of this dangerous provision."

Those in the charitable, religious and philanthropic communities – along with the <u>vast majority of Americans</u> – vehemently oppose any attempts to repeal or weaken the protections afforded through the Johnson Amendment. This includes more than <u>100 mainline religious denominations</u>, <u>4,300 faith leaders</u>, <u>state law enforcement</u> <u>officials</u>, and <u>5,600 charitable nonprofits and foundations</u> from every state that have signed their names to joint letters to Congress opposing any changes to existing law.

In its letter, the National Council of Nonprofits warns that the cost of injecting partisanship into nonprofits is too high for America's charitable community and urges the campaign committee chairs to prevent the Johnson Amendment from being altered or weakened in any way through tax reform legislation or the appropriations process.

About the National Council of Nonprofits

The National Council of Nonprofits (Council of Nonprofits) is a trusted resource and proven advocate for America's charitable nonprofits. Connecting the policy dots across all levels and branches of governments, the Council of Nonprofits keeps nonprofits informed and empowered to create a positive public policy environment that best supports nonprofits in advancing their missions. Working with and through the nation's largest network of nonprofits – with 25,000-plus organizational members - we identify emerging trends, share proven practices, and promote solutions that benefit charitable nonprofits and the communities they serve. Learn more at www.councilofnonprofits.org.