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Nonprofits, Nation Cannot Afford This Proposed Tax Reform Plan

Tim Delaney, President and CEO of the National Council of Nonprofits, released the following statement in response to the [Tax Cuts and Jobs Act](#) tax reform legislation made public today by the House Ways and Means Committee:

“The cost of tax reform is too high if children cannot get the food, shelter, and support they need. The price is too great if citizens can no longer find a safe haven in charitable nonprofits like houses of worship from the caustic partisan politics ripping our country apart. And we as a nation cannot afford tax reform if it forces our government to make false choices between the domestic needs of our people and our common defense. Fixes are readily available to overcome these and many other fatal flaws in the tax reform bill released today, but it will require reasonable people in Congress agreeing to agree for a change.

“The tax reform bill unveiled today by the House Ways and Means Committee would tragically undermine the ability of certain charitable nonprofits to serve our country’s people and communities. One proposed provision would drag houses of worship down into the swamp of partisan politics by weakening the longstanding law (the Johnson Amendment from 1954) that prevents political operatives from soliciting nonprofits and houses of worship for endorsements. Another provision would diminish the tax incentive to contribute to the work of charitable nonprofits to

all but five percent of Americans. Overall, the legislation would cut revenues too deeply, ignoring our nation's true and necessary expenses and ultimately hurting people.

“Any changes to the [Johnson Amendment](#) present an existential threat to the work of charitable nonprofits, houses of worship, and foundations. We cannot effectively serve our communities if we are invaded by the divisive partisan politics that are bedeviling our country. The constitutionally suspect change proposed in the House bill would destroy the safe space where people can currently come together, ignoring party labels, to worship and solve community problems. [Nonprofits](#) don't want this change. [Houses of worship](#) and [faith leaders](#) don't want this change. [Foundations](#) don't want this change. [Law enforcement](#) doesn't want this change. The Johnson Amendment has served our nation well since President Eisenhower signed it into law. Don't mess with something that isn't broken.

“Congress must not make it even harder for charitable nonprofits to do their work for others. Since the Great Recession started, governments at all levels have been cutting their budgets and pulling back from providing services to people in their communities, expecting nonprofits and foundations to fill the gaps. Nonprofits have been asked to do so much more for so many more people for much less money for far too long. Even though the talking points on the bill claim to keep the charitable deduction intact, the truth is that doubling the standard deduction puts this [important incentive](#) to give out of reach for 95 percent of Americans. To hold nonprofits harmless, instead of a policy that restricts charitable giving incentives to only five percent of taxpayers, Congress should open the incentives up to encourage all Americans to support their local communities through a [universal deduction](#).

“Like the air we breathe, nonpartisanship is essential to the survivability of charitable nonprofits. Likewise, charitable contributions are the lifeblood of organizations that serve every American every day. Our message to Congress on tax reform is simple and elementary: Don't take away our oxygen or our lifeblood. Retain the Johnson Amendment unchanged and ensure that all Americans have a tax incentive for giving back to vital work in communities.”

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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.