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Nonprofit Champion | February 12, 2024

***Free Nationwide Nonprofit Webinar
Wednesday, Feb. 21 at 3:00 pm Eastern***

LIVE WEBINAR

Nonprofits and Elections 2024:

Why and How You Should Engage (and Stay Nonpartisan)

Tiffany Gourley Carter | Tim Delaney | Liz Moore | Gwen Stenbridge | Ben Williams

3:00 - 4:15 pm Eastern
February 21

Register today at
<https://bit.ly/2024-elec-webinar>

Champions for the public good

As we all learned in middle-school civics, every American citizen has both the right and the duty to vote. Likewise, every charitable nonprofit has a right under the law (and many would say, a moral duty) to – on a nonpartisan basis – encourage every citizen to vote in elections this year. Nonpartisan actions are critical to shaping what will happen in the coming years, yet too many nonprofit leaders are under the mistaken impression that nonprofits cannot even talk to candidates or do any voter engagement. This webinar is designed to change that. Hear from national experts about how to engage in legal, nonpartisan ways and why doing so advances your mission as a force for good.

[Register now to learn how](#)

Federal

Making Sense of Congress Right Now

Flashes of sincere bipartisanship, spoiled by shockingly abrupt partisan policy about-faces in both the House and Senate, a failed vote by the House majority to impeach a cabinet secretary, and ongoing threats by members of the House majority to dethrone their own Speaker – all of which happened in just the last week – have

congressional observers wondering whether any sense can ever be made out of the morass that is the 118th Congress. While the overriding din of discord is disheartening, it does appear that seasoned hands continue to secure progress, wresting victory from the jaws of defeat. Threats of federal government shutdowns over a range of issues – border security, social policies, the deficit – have slowly given way to processing of spending bills. However, numerous controversial policy riders could still force a shutdown. The demand for a severe border security policy, which led to a bipartisan agreement in the Senate in exchange for funding for national security priorities – only to be undercut by presidential politics – just yesterday was resurrected in part and advanced past a key procedural hurdle in the Senate on a bipartisan basis as a “clean” national security bill that provides funding for Ukraine, Israel, Gaza humanitarian aid, and Taiwan. For charitable nonprofits, the point must be that the impediments of the moment could suddenly resolve, so advocacy must continue.

As Other Bills Flounder, Tax Bill Gains Support

At the end of January, the House did what many thought was impossible: pass significant tax legislation with wide, bipartisan support. That was the case when the House passed the *Tax Relief for American Families and Workers Act* ([H.R. 7024](#)) by a [vote of 357 to 70](#), garnering the support of 77% of Republicans and 88% of Democrats. In the Senate, numerous Senators from both sides of the aisle have said they will support the bill as currently written. However, action has been slowed over reported concerns about some of the bill’s provisions. These could lead to a Finance Committee markup, where Senators debate their concerns and offer amendments, before the bill goes to the Senate floor as free-standing legislation (unlikely) or as an amendment to other legislation such as appropriations bills scheduled for consideration in early March.

In addition to tax breaks the business community has been seeking, the *Tax Relief for American Families and Workers Act* includes two priorities affecting low-income residents that many charitable nonprofits serve.

- **Child Tax Credit:** The bill would raise the maximum refundable child tax credit from \$1,600 per child to \$1,800 in 2023, \$1,900 in 2024, and \$2,000 in 2025, and end the so-called “large family penalty” by removing an existing cap on

payments. It is expected to [lift as many as 400,000 children](#) above the poverty line and make an additional 3 million children less poor in its first year. Some Senate Republicans have expressed concerns about a provision in the bill that would give eligible families the option to use their earned income from the prior year (the look-back provision) to calculate their credit.

- **Low-Income Housing Tax Credit:** The legislation would restore the 12.5% low-income housing credit ceiling for calendar years 2023, 2024, and 2025, and reduce tax-exempt bond financing requirements, which would increase the supply of low-income housing by an estimated 200,000 affordable housing units.

Charitable Giving Incentive Not Included. Yet. The House-approved tax bill does not include restoration of the non-itemizer (universal) charitable deduction, an expired incentive that had provided taxpayers claiming the standard deduction the opportunity to get a tax break for donating to the work of charitable organizations. This means that any chance of adding a non-itemizer deduction to the tax legislation will have to happen in the Senate in committee or during floor debate in the coming weeks.



ACTION ITEM: Senators need to hear immediately from the charitable nonprofit community. Call your [Senators](#) today and tell them: **“The Senator must insist on restoration of the non-itemizer (universal) charitable deduction as a provision in any tax package under consideration.”** You can also write your [Senators](#) to deliver the message via email.

Worth Studying

- [The House has restored the child tax credit. Here’s how it would work.](#), Kery Murakami, *Route Fifty*, Feb. 1, 2024.

- [Not Taking “No” for an Answer](#), *Nonprofit Champion*, Jan. 29, 2024.
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Federal *FastView*

- **Investigating Terrorist Organizations:** A bipartisan group of House tax committee members [recently sent letters](#) to Treasury Secretary Janet Yellen, IRS Commissioner Daniel Werfel, and FBI Director Christopher Wray asking for information about their work to identify any charitable nonprofits providing financial and material support to terrorist organizations. The letters are a continuation of the Ways and Means Committee’s investigation of nonprofit support of terrorist activities and groups. Last year, the Committee approved a bill ([H.R.6408](#)) that would strip tax-exempt status from organizations suspected of supporting terrorist groups.
- **Reining In Dark Money in Politics:** Last week, Senator Whitehouse (D-RI) and Representative Chu (D-CA) introduced the *End Tax Breaks for Dark Money Act* ([S.3743/H.R.7244](#)), a bill that would impose a capital gains tax on donations of appreciated property to organizations formed under tax law code section 501(c)(4) (social welfare), section 501(c)(5) (labor unions), and section 501(c)(6) (trade associations). The introduction of this bill follows an uptick in congressional interest in nonprofit political activity, in particular so-called “dark money,” or undisclosed, donations to 501(c)(4) social welfare organizations. In introducing the bill, Senator Whitehouse stated, “Billionaires attempting to influence politics from the shadows should not be rewarded with taxpayer subsidies.”
- **Proposed Regulatory Guidance on Donor Advised Funds:** The Treasury Department issued a proposed rule in November that provides definitions for who or what qualifies as a DAF, donor, and donor-advisor, as well as exceptions to the definition of a donor advised fund. Included in the definition of DAFs would be some giving circles, field of interest funds, and other committee funds. The draft regulations also propose an “anti-abuse rule” meant to deter donors from using DAFs to avoid excise taxes on donations to individuals. Comments submitted today by the [National Council of Nonprofits](#) focus on both the currently proposed regulations as well as potential future regulations that can further the goal of increasing the distribution of dollars controlled by DAFs to the work of charitable nonprofits. The government invites interested parties to [submit public comments](#) by **February 15, 2024**.

Finding Solutions to Workforce Shortages

A nationwide survey last year found that charitable nonprofits continue to face [recruitment and retention challenges](#), creating workforce shortages that effectively deny communities access to food, shelter, mental health care, and other vital services. Policymakers have been considering numerous solutions at state and local levels. In **Iowa**, a bill would [adjust work-based programs](#), shorten the current student teaching requirements, and create a Workforce Opportunity Fund to expand workforce programs in the state. **New York** City's Mayor [announced](#) that as part of the City's workforce retention efforts it would extend paid parental leave to 12 weeks and provide up to 12 weeks of paid family leave for those "caring for seriously ill family members" to nonunion employees. In a [panel](#) before **North Carolina's** Joint Legislative Oversight Committee on Health and Human Services, the state director of child development and early education raised concerns about what would happen to child care once federal funding and some state funds run out. While no immediate solutions were proposed at the hearing, legislators were alerted about the growing challenges.

Pending Government Grants and Contracting Legislation

In recognition that many government grants and contracting practices have contributed to the [nonprofit workforce shortage crisis](#), there is a growing movement to address many of the specific challenges charitable nonprofits face. Newly introduced [legislation](#) in **Illinois** would, among other things, require the state to pay indirect costs rates of at least 20% of direct costs or a federally negotiated rate, whichever is higher; clarify that the state's Prompt Payment Act applies to all services and support provided by vendors, including nonprofits; and impose a penalty of 1% interest per month for any approved or unpaid amount. In **Maine**, a new bill would require the Maine Department of Health and Human Services to [pay administrative expenses and interest charged](#) on lines of credit or loans of behavioral health services providers and housing assistance providers if a contract award, finalization, or payment is delayed that requires a loan or line of credit.

Worth Quoting

- “Late payments are putting our organization in an impossible position. We’ve exhausted our small cash reserves and with a decline in donations, we simply can no longer afford to float the state while we wait for late payments and agreements. And even if we could, we should not have to.”

— Nonprofit service provider in **Kentucky**, quoted in [Late payments threatening nonprofit services, according to state nonprofit network](#), *WUKY Radio* (Lexington, KY), Feb. 7, 2024.

- “And it's resulting in a workforce shortage that means waiting lists for programs and services. It means some programs are closed.”

— Danielle Clore, CEO of the **Kentucky Nonprofit Network**, quoted in the [WUKY report](#).

- “We always have to focus on our nonprofits, because in a lot of those jobs that they're performing, it's low cost, they're performing minimum wage jobs. And there is now a COLA fixed into minimum wage. So nonprofits, their costs go up, and up and up. We need to make sure that we're funding them properly.”

— Representative Vincent Candelora, **Connecticut** House Republican Leader, speaking on [Face the Facts: Rep. Candelora responds to State of the State address](#), *NBC Connecticut*, Feb. 9, 2024.

View the Recording

Webinar Highlights: Need for Nonprofits to Take Action

FREE WEBINAR

Accessing
Remaining
COVID-Relief
Funds
**BEFORE IT IS
TOO LATE**



January 30
3:00PM Eastern



Wally Adeyemo
Deputy Secretary of
the Treasury



Jessica Mendieta
Policy Associate,
NCN



Colleen Robinson
CEO, Habitat of
Humanity of Clallum
County, WA



Laura Walling
VP Gov Affairs,
Goodwill Industries
International, Inc.

On January 30, the networks of the National Council of Nonprofits convened a nationwide webinar to show charitable nonprofits how to [Access Remaining COVID-Relief Funds Before It Is Too Late](#). U.S. Treasury Deputy Secretary Wally Adeyemo kicked off the discussion of how nonprofits can access remaining Coronavirus State and Local Fiscal Recovery Funds made possible through the American Rescue Plan Act. Speakers from Goodwill Industries International and Habitat for Humanity International provided hands-on expertise on how their local operations tapped into this unique funding source, and they shared proven examples of how they reached out successfully to government officials at the local and state levels to make the case for investment in the work of their nonprofits. View the [webinar recording](#) and [presentation slides](#).

Worth Quoting

- “I know that nonprofits are crucial partners to state and local governments. As we approach the final stretch of this program, nonprofit partners are critical to “last mile” implementation to ensure that this historic investment of Federal resources will have a transformative impact in communities across the country.”

— Deputy Secretary of the Treasury Wally Adeyemo in his [opening remarks](#) at the beginning of the national webinar, [Accessing Remaining COVID Relief Funds](#), delivered Jan. 30, 2024.

Expanding, Restricting Property Tax Exemptions for Nonprofits

State legislators are once again looking to nonprofit tax exemptions either to fill state coffers by limiting exemptions or extend support to nonprofits in their communities.

- **Economic Development:** All commercial property of any nonprofit economic development organization in [Oklahoma](#) funded in whole or in part with local, state, or federal government grant assistance would be exempt from property tax under a recently introduced bill.
- **Educational Institutions:** Going further than most legislation targeting nonprofit education facilities, a **New Jersey** bill seeks to [remove property tax exemption for housing](#) made available to faculty and certain employees at education institutions. Some **New York** lawmakers are attempting to get around nonprofit property tax exemptions by [imposing services charges on property](#) used exclusively for charitable, hospital, education, or cemetery purposes. The bill would set the service charge amount based on the assessed value of the tax-exempt real property and the amount the municipality expended in the preceding year, capped at 10% of the property tax liability.
- **Hospitals:** **Illinois** lawmakers are seeking to draw greater scrutiny of nonprofit hospitals and their level of “charity care” by requiring [county assessors to publicly publish the assessed value](#), location, and estimated property tax liability of all hospital property that is exempt from property taxes. It would also narrow the definition of “charity care,” which under Illinois law would likely subject more properties to taxation. Legislation in **Indiana** seeks to [remove the property tax exemption for nonprofit hospitals](#) and base the property tax liability on the hospital’s average amount of charges. A bill in **New York** would limit property tax exemptions for [hospitals or other charitable nonprofits](#) to the land used exclusively for their charitable purposes for at least 120 days a year.
- **Houses of Worship:** Two bills in **Alaska** would broaden and codify municipal property tax exemptions for houses of worship. One ([S.B. 167](#)) would clarify

that the property tax exemption applies to all nonprofit property primarily used for religious purposes. Another measure ([H.B. 257](#)) would expand current property tax exemption to property used primarily, rather than exclusively, for nonprofit religious, charitable, cemetery, hospital, or educational purposes as well as parking lots of that tax exempt property. Legislation in [West Virginia](#) would exempt property used for divine worship, educational, and charitable purposes from the *ad valorem* property tax.

Worth Listening



[Remaining Nonpartisan During an Election Year](#), *I Was Told There Would Be Snacks: A Nonprofit Podcast*, Tennessee Nonprofit Network, February 2024. In the highly polarized world in which we live, nonprofits can often find themselves stuck in the middle of politics. This election will no doubt be contentious, and nonprofits must be careful to remain nonpartisan while also advocating for the causes they care about. In this episode, Tiffany Gourley Carter of the National Council of Nonprofits and Sumita Keller of Healing Trust discuss what nonprofits can and cannot do in the public policy arena and how to stay nonpartisan despite the partisan world around us.

Numbers in the News

186,200

The number of child care jobs added nationwide between April 2021 and October 2023, aided in large part by resources made available by governments under the American Rescue Plan Act's State and Fiscal Recovery Fund. Findings suggest that ARPA funds helped the child care sector "from falling further into crisis."

Source: [Child Care Sector Jobs: BLS Analysis](#), Center for the Study of Child Care Employment, Feb. 6, 2024.

77%

The percentage of New York City contracts registered "late (i.e. after the start date on which the vendor was expected to begin providing services)" in the first half of Fiscal Year 2024. This percentage continues to increase and is a troubling trend for nonprofits providing essential services while waiting for months to receive a payment.

Source: [Late Payment of Contracts by City Agencies Remains a Large and Growing Problem, Comptroller's Annual Contracts Summary Report Finds](#), Office of the New York City Comptroller, Jan. 30, 2024.

February is

- [Black History Month](#)
- [American Heart Month](#)

Nonprofit Events

- Feb. 12, [Nonprofit Action Day](#), Nonprofit Association of Washington
- Feb. 13, [Nonprofit Advocacy](#), Iowa Nonprofit Alliance
- Feb. 15, [Nonprofit Day at the State House](#), Maine Association of Nonprofits
- Feb. 15, [Let's Talk About Advocacy](#), Nonprofit New York
- Feb. 16, [Session Lineup](#), Minnesota Council of Nonprofits
- Feb. 21, [Advocacy 101](#), Florida Nonprofit Alliance

- Feb. 21, [Nonprofit Day at the Capitol](#) - Virtual Visits, Michigan Nonprofit Association
- Feb. 21-23, [Nonprofit Summit](#), Together SC
- Feb. 22, [Nonprofit Day at the Capitol](#) - In Person, Michigan Nonprofit Association
- Feb. 27, [Nonprofit Advocacy Summit](#), Tennessee Nonprofit Network
- Feb. 28, [Nonprofits + Philanthropy Day of Advocacy](#), AZ Impact for Good
- Feb. 28, [Nonprofit Day on the Hill](#), Tennessee Nonprofit Network
- Mar. 5, [2024 Legislative Event](#), Wyoming Nonprofit Network
- Mar. 6, [The State of New Jersey's Nonprofit Community](#), NJ Center for Nonprofits
- Mar. 7, [Oklahoma Nonprofit Advocacy Day](#), Oklahoma Center for Nonprofits

Advocacy in Action

Demanding Substance Over Forms

One of the important roles of bureaucrats is to identify effective means for data collection, which includes developing forms that enable the public to provide information as clearly, safely, and simply as possible. The U.S. Census Bureau is constantly tweaking its decennial and annual census forms in an effort to capture the clearest and most useful data possible. But sometimes, even good intentions can lead to bad results. It takes advocacy through public comments (and sometimes litigation) from experts and concerned individuals to set the record straight.

[Read more](#)

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