February 16, 2017

The Honorable Richard E. Neal  
United States House of Representatives  
Room 341, Cannon House Office Building  
Washington, DC 20515

Subject: Massachusetts Nonprofit Network Letter in Support of Federal Charitable Giving Incentives

Dear Representative Neal:

On behalf of our members, we write to raise the concerns of charitable nonprofits in Massachusetts as the 115th Congress considers comprehensive federal tax reform. Multiple elements of the Internal Revenue Code affect the operations and resources of charitable nonprofits, including individual tax rates, the standard deduction, the estate tax, and many more. Today, we focus on the primary charitable giving tax incentive – the charitable deduction – and seek your support in protecting it as a viable tool for encouraging individuals to give back to their communities.

By way of introduction, the Massachusetts Nonprofit Network (MNN) is the Commonwealth’s nonprofit association. We bring together nonprofits, funders, business leaders, and elected officials to strengthen nonprofits and raise the sector’s voice on critical issues. We have over 750 member organizations, representing nonprofits in every region of the state. Our members come from all sub-sectors of the nonprofit world and are the cornerstones of communities throughout Massachusetts.

As you know, nonprofits classified as 501(c)(3) organizations under the Internal Revenue Code provide valuable services for your constituents in the 1st District and throughout Massachusetts. Indeed, our members work in every community in the state, addressing the needs of your constituents and improving the quality of life for all. Nonprofits throughout the Commonwealth are not only the vibrant fabric of communities but they are an economic powerhouse as well. The Massachusetts nonprofit sector is a major employer across the state with 529,538 nonprofit jobs. In total, these jobs account for 17% of the state’s workforce, making Massachusetts the 6th largest nonprofit employer in the nation. In addition, with over $30 billion in wages, the economic impact of nonprofits produces billions of dollars of income, sales, and tax revenues annually for the Commonwealth.
This year marks the 100th anniversary of the enactment of the charitable deduction, an incentive that encourages individuals to give to charitable organizations whose missions they support. Over the past century, the incentive has generated critical resources to further the work of churches and synagogues, domestic violence shelters, early childhood programs, food banks, school alumni groups, and all other charitable nonprofits.

For the sake of our communities and member organizations, 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 Massachusetts?

Charitable nonprofits in the Commonwealth and throughout the United States are dedicated to the public good; our work improves lives, strengthens communities and the economy, and lightens the burdens of government, taxpayers, and society as a whole. Maintaining the value of the charitable deduction is essential to the ongoing work of charitable nonprofits. It is imperative that Congress does not make changes to the charitable deduction that could endanger the ability of nonprofit organizations to serve those most in need and to continue to strengthen local communities across America.

We ask you to support our communities by standing firm in support of federal tax law incentives for charitable giving.

Sincerely,

Jim Klocke
Chief Executive Officer
Massachusetts Nonprofit Network