



November 15, 2017

The Honorable James McGovern
United States House of Representatives
Room 438, Cannon House Office Building
Washington, DC 20515

The Honorable Stephen F. Lynch
United States House of Representatives
Room 2268, Rayburn House Office Building
Washington, DC 20515

The Honorable William Keating
United States House of Representatives
Room 2531, Rayburn House Office Building
Washington, DC 20515

The Honorable Niki Tsongas
United States House of Representatives
Room 1714, Longworth Office Building
Washington, DC 20515

The Honorable Seth Moulton
United States House of Representatives
Room 1408, Longworth House Office Building
Washington, DC 20515

The Honorable Katherine Clark
United States House of Representatives
Room 1415, Longworth House Office Building
Washington, DC 20515

The Honorable Michael E. Capuano
United States House of Representatives
Room 1414, Longworth House Office Building
Washington, DC 20515

The Honorable Joseph P. Kennedy III
United States House of Representatives
Room 434, Cannon House Office Building
Washington, DC 20515

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

Subject: H.R.1, Tax Cuts and Jobs Act

Dear Representative McGovern, Representative Keating, Representative Moulton, Representative Capuano, Representative Lynch, Representative Tsongas, Representative Clark, Representative Kennedy, and Representative Neal,

On behalf of our members, we are writing to urge all Massachusetts members of the House of Representatives to vote against the *Tax Cuts and Jobs Act*, H.R. 1. As drafted, this bill will reduce charitable giving, eliminate a long-standing law prohibiting charities from engaging in partisan politics, and will impose new taxes on the sector. As such, this bill will have a devastating impact on the Commonwealth's nonprofit community and the people and causes they serve.

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 800 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.

H.R. 1 includes significant changes to long-standing tax policies that will have a drastic effect on the Commonwealth's nonprofit sector including:

- **Reduction in Charitable Giving:** While H.R. 1 retains the existing itemized deduction for charitable donations, the change of nearly doubling the standard deduction and eliminating the estate tax will indisputably reduce charitable giving. Rather than encouraging more people to invest in their communities by including a universal charitable deduction, this bill turns the charitable deduction into a tax benefit for only the wealthiest households. This will hurt thousands of nonprofits in our state, many of whom rely on individual donations as their primary source of revenue.
- **Politicizing Charitable, Religious, and Philanthropic Organizations:** H.R. 1 includes language that would radically alter the Johnson Amendment, a longstanding law that has protected the charitable sector from partisan politics and allowed nonprofits, religious organizations, and foundations to focus on their missions. By weakening the Johnson Amendment, a critical barrier between partisanship and nonprofits, this bill will open up the door to charitable organizations becoming an instrument of electoral politics. No longer will the nonprofit sector be the the nonpartisan, neutral problem solvers our country needs them to be.
- **Imposing New Taxes on the Nonprofit Sector:** H.R. 1 includes new taxes and tax changes specific to the nonprofit sector including taxing college and university endowments, taxing certain forms of employee compensation, and eliminating private activity bonds. Tax reform should not be financed by imposing new and unfair taxes on nonprofits. These proposed changes to the tax code will substantially complicate the ability of many of the Commonwealth's nonprofits to continue to meaningfully pursue their missions.

In opposing H.R. 1, we stand united with our member organizations, nonprofits throughout the Commonwealth, and national groups including the National Council of Nonprofits, Independent Sector, and the Council on Foundations. Please support our community, and those who depend on our services, by standing firm and voting no on the *Tax Cuts and Jobs Act*, H.R. 1.

Thank you for your continued support of the nonprofit sector.

Sincerely,



Jim Klocke
Chief Executive Officer
Massachusetts Nonprofit Network