



November 30, 2017

The Honorable Edward J. Markey
United States Senate
Room 255, Dirksen Senate Office Building
Washington, DC 20510

The Honorable Elizabeth Warren
United States Senate
Room 317, Hart Senate Office Building
Washington, DC 20510

Subject: Tax Reform: *Tax Cuts and Jobs Act*

Dear Senator Markey and Senator Warren,

On behalf of our members, we are writing to thank you for your ongoing support of the Massachusetts nonprofit sector and to request that you vote against the *Tax Cuts and Jobs Act* scheduled for a vote in the Senate today. As drafted, this bill will reduce charitable giving, impose new taxes on the sector, and 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.

The tax legislation to be considered by the Senate 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 the *Tax Cuts and Jobs Act* retains the existing itemized deduction for charitable donations, the change of nearly doubling the standard deduction and the exemption of the estate tax will indisputably reduce charitable giving by billions. 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.

- **Imposing New Taxes on the Nonprofit Sector:** The *Tax Cuts and Jobs Act* includes new taxes specific to the nonprofit sector including taxing college and university endowments and taxing certain forms of employee compensation. 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 state's nonprofits to continue to meaningfully pursue their missions

Although the Senate bill does not contain a repeal of the Johnson Amendment like the House bill included, we continue to have concerns that a repeal could be offered as an amendment or could survive should the House and Senate tax bills end up in conference. We join the more than [5,500 nonprofits and foundations](#), more than [4,200 faith leaders](#), more than [100 religious and denominational organizations](#), the state [law enforcement officials](#) who focus on regulating nonprofits, [89 percent of Evangelical pastors](#), and [79 percent of the American public](#) that support keeping politics out of nonprofits, foundations, and faith communities.

In opposing the *Tax Cuts and Jobs Act*, 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*.

Thank you for your continued support of the nonprofit sector.

Sincerely,



Jim Klocke
Chief Executive Officer
Massachusetts Nonprofit Network