WESTFAIR online

NONPROFITS: SHUTDOWN THREATENS SAFETY NET

October 11, 2013
By Jennifer Bissell

The Fairfield County Community Foundation issued a letter Thursday to Connecticut's U.S. Congress members urging an end to the government shutdown to protect the state's safety net of services.

At a time when nonprofits are serving more people in need than ever, the need for government services is vital, said Juanita James, FCCF CEO. Nonprofits often step in when the government cannot, and even before the shutdown, these service providers had been struggling "to do more with less."

"On shoestring budgets and with limited resources, nonprofits in Fairfield County have been teaching more low-income students, serving more meals to families , providing more healthcare and more critical services to a growing number of our citizens," James's letter stated. "But the shutdown threatens this already weakened system and has significantly impacted residents across the country."

Recounting a few impacted services, James mentioned the state's crippled Head Start program, which forced many of the parents of some 6,000 children to take unpaid time off to take care of their children.

Additionally James cited stalled plans to launch the state's revamped Small Business Development Center to help "drive economic recovery."

Work to restore regions damaged by Hurricane Sandy and to plan for the next major storm have also been stalled, which James said could cause "costly damage."

"These are just some of the local impacts of the federal shutdown," James said. "There are many more impacting thousands of residents."

http://westfaironline.com/58356/nonprofits-shutdown-threatens-safety-net/

stamford advocate.com

CHARITABLE DEDUCTION VITAL TO COMMUNITIES

August 29, 2013
By Juanita T. James

A 100-year-old tradition that encourages charitable giving faces an urgent threat. Federal lawmakers are seriously considering tampering with the charitable tax deduction, which would be disastrous for worthy community causes and millions of vital nonprofit services that rely on the support of charitable giving.

A new report issued by Giving USA found individuals donated over $228 billion to charity in 2012. The Chronicle of Philanthropy's Giving in America study found, in 2010, Connecticut households contributed $2.3 billion — $1.3 billion of which came from Fairfield County.

To be clear, the charitable deduction is not about the donors. It's about what donors' dollars do to aid the most vulnerable, educate, heal, nurture and innovate — often in ways that government and the private sector cannot.

Too many communities still face an increased demand for services, yet there are fewer resources to get the job done. Tax policy changes to the charitable deduction will deliver a devastating blow to communities that rely on generous donors, hitting hardest those who need the most help.

In addition, nonprofits are also employers. In Fairfield County, nonprofits provide 41,131 jobs with a combined payroll of $2.2 billion.

These vital sources of jobs, services and support depend on donations spurred by the charitable tax deduction. If lawmakers tamper with it, nonprofits lose their ability to provide food and shelter for the most vulnerable, support education and better health, strengthen communities, solve problems and more.

Since 1917, our tax code has recognized the value and fairness of the charitable deduction. Charitable donations benefit the people and communities served by charities and the philanthropic sector, and provide critical support to the most vulnerable among us. By allowing those who give so generously to claim a deduction at the same rate at which taxes are paid, our longstanding tax policy has ensured that such gifts are not subject to additional tax. Fairness requires that charitable donors not be taxed on money donors do not have, and on income they do not retain.

One way the charitable sector is making its case about what is at stake is through TaxReform.gov and a Twitter page — @simplertaxes — two online resources launched by lawmakers to solicit input on the issue.

August is when our congressional representatives are back in their districts. Research has shown that messages delivered to leaders while they are in the district carry powerful weight. If you want to protect the charitable tax deduction, let your legislators know. In Fairfield County, our representatives are U.S. Sen. Richard Blumenthal, U.S. Sen. Christopher Murphy and U.S. Rep. Jim Himes.

At a time when the need for crucial services is on the rise, we should be working to find ways to encourage more giving, not less.

Juanita T. James is the president and CEO of the Fairfield County Community Foundation.

http://www.stamfordadvocate.com/opinion/article/Charitable-deduction-vital-to-communities-4772319.php

The Hour online

THE CHARITABLE DEDUCTION ONE TAX REFORM ITEM VITAL TO THRIVING COMMUNITIES

August 14, 2013
By Juanita James

A 100-year-old tradition that encourages charitable giving faces an urgent threat. Federal lawmakers are seriously considering tampering with the charitable tax deduction, which would be disastrous for worthy community causes and millions of vital nonprofit services that rely on the support of charitable giving.

A new report issued by Giving USA found individuals donated over $228 billion to charity in 2012. The Chronicle of Philanthropy's Giving in America study found, in 2010, Connecticut households contributed $2.3 billion — $1.3 billion of which came from Fairfield County.

To be clear, the charitable deduction is not about the donors. It's about what donors' dollars do to aid the most vulnerable, educate, heal, nurture and innovate often in ways that government and the private sector cannot.

Too many communities still face an increased demand for services, yet there are fewer resources to get the job done. Tax policy changes to the charitable deduction will deliver a devastating blow to communities that rely on generous donors, hitting hardest those who need the most help.

In addition, nonprofits are also employers. In Fairfield County, nonprofits provide 41,131 jobs with a combined payroll of $2.2 billion.

These vital sources of jobs, services and support depend on donations spurred by the charitable tax deduction. If lawmakers tamper with it, nonprofits lose their ability to provide food and shelter for the most vulnerable, support education and better health, strengthen communities, solve problems and more.

Since 1917, our tax code has recognized the value and fairness of the charitable deduction. Charitable donations benefit the people and communities served by charities and the philanthropic sector, and provide critical support to the most vulnerable among us. By allowing those who give so generously to claim a deduction at the same rate at which taxes are paid, our long-standing tax policy has ensured that such gifts are not subject to additional tax. Fairness requires that charitable donors not be taxed on money donors do not have, and on income they do not retain.

One way the charitable sector is making its case about what is at stake is through TaxReform.gov and a Twitter page @simplertaxes two online resources launched by lawmakers to solicit input on the issue.

August is when our congressional representatives are back in their districts. Research has shown that messages delivered to leaders while they are in the district carry powerful weight. If you want to protect the charitable tax deduction, let your legislators know. In Fairfield County, our representatives are Senator Richard Blumenthal, Senator Christopher Murphy and Congressman Jim Himes.

At a time when the need for crucial services is on the rise, we should be working to find ways to encourage more giving, not less.

Juanita T. James is the president and CEO of the Fairfield County Community Foundation.

http://www.thehour.com/opinion/commentary/the-charitable-deduction-one-tax-reform-item-vital-to-thriving/article_9e68f2dc-1b71-5cc0-a907-8a9b421cfd6f.html

the ct mirror To inform and engage one Connecticut

CHARITIES ARE NERVOUS ABOUT TAX REFORM

June 24, 2013
By Ana Radelat

Charities and nonprofit groups say that tax reforms Congress may consider this summer could dry up their fundraising.

While there's still debate over whether the campaign promises both Democrats and Republicans made to overhaul the federal tax system will happen, some movement toward that goal is expected in the coming months by the House Ways and Means Committee and the Senate Finance Committee.

Everything is on the table, including the deductibility of money given to charity by taxpayers who list deductions. The IRS allows taxpayers to deduct up to 50 percent of their adjusted gross income through the charitable deduction.

A recent study by the Congressional Budget Office shows that the most wealthy Americans give the most money to charity — and receive the biggest deductions. The CBO study said this tax break cost the Treasury $40 billion last year. Only the deductions for health insurance premiums and mortgage interest payments cost the government more.

The CBO estimated that most of the benefit of that deduction went to Americans in the top 1 percent income level.

So there are a number of proposals in Washington to curb the tax break. They range from a total elimination of the charitable deduction — and other tax deductions, including the mortgage deduction -– to trimming it for the nation's wealthiest people.

The nation's charities hope to convince Congress that the charitable deduction helps those who need those charities more than those who need the tax break.

"As you know, the century-old charitable deduction is a powerful American tradition that encourages people to donate a portion of their income — more often than they would have otherwise given –- to support others in need and to strengthen communities," said a recent letter from the nation's top nonprofits to the Senate Finance Committee. "If Congress changes the existing policy… donations would go down and the communities we serve and the individuals we help would suffer the most –- not the donors."

Joanne Florino, head of public policy and government relations at The Philanthropy Roundtable, said the nation's nonprofits will closely watch the congressional debate over taxes — especially the hearings that federal lawmakers who head tax-writing committees plan to hold in July. But she said doesn't know what Congress will do.

"What happens on Capitol Hill is always hard to calculate," Florino said.

Maggie Gunther Osborn, president of the Connecticut Council for Philanthropy, is more optimistic.

She said she's "shared a lot of information about the charitable deduction" with lawmakers and policymakers. "I think we have work to do so people understand it," Osborn said. "But I feel at the end of the day, it will be preserved."

The IRS allows taxpayers to deduct money and the value of other gifts to a wide range of nonprofit organizations -– and most of them do not directly help the poor. They include churches and synagogues, environmental groups, health organizations and other nonprofits, including The Connecticut Mirror. A report by Giving USA shows that in 2011, nearly a third of donations to nonprofits went to religious organizations, followed by education (16 percent) and human services (12 percent).

Although the nonprofit community is focusing its message on the impact that changing the deduction would have on the neediest, it would also affect those who give. Connecticut is among the top states in giving.

A recent Tax Foundation study said that the states making the highest percentage of charitable deductions are Maryland (40.1 percent), New Jersey (36 percent) and Connecticut (35.9 percent). At the bottom are West Virginia (13.3 percent), South Dakota (14.9 percent) and North Dakota (15.3 percent).

Although the wealthy give much more in dollar amount -– Connecticut residents with incomes higher than $200,000 gave $1.8 billion in 2010 -– many more middle-income taxpayers claim the charitable deduction, according to the Connecticut Council of Philanthropy.

The council said 67 percent of Connecticut residents who itemized deductions and earned between $50,000 and $200,000 reported giving a total of $936 million to charity in 2010.
Congress has already tinkered with the charitable deduction this year.

In January's "fiscal cliff" deal that kept the federal government from shutting down, Congress reinstated the so called "Pease amendment," which trims the itemized deductions for individuals with incomes of $250,000 or more and married couples earning earn $300,000 or more.

Some economists said the move had little effect on charitable giving because the same deal raised the income taxes for the wealthiest Americans, and that increase stimulated contributions to charity.

But the Charitable Giving Coalition said that about 60,000 taxpayers with $886 million in charitable deductions had more than half of their itemized deductions prohibited by the Pease amendment.

"That's a significant, negative impact on support for the crucial work of nonprofits in our communities. We simply can't afford to experiment further with incentives that encourage charitable contributions," said the coalition, which represents 60 of the nation's top nonprofits.

http://www.ctmirror.org/story/charities-are-nervous-about-tax-reform

THE MIDDLETOWN PRESS

UNITED WAY: ADVOCATING TO PRESERVE THE CHARITABLE TAX DEDUCTION

February 16, 2013
By Kevin J. Wilhelm

On Valentine's Day, 14 state and local United Way CEOs, as well as United Way Worldwide CEO Brian Gallagher, testified before the U.S. House of Representatives Ways and Means Committee about preserving the charitable tax deduction and the central role that charitable giving plays in strengthening communities.

Gallagher urged the committee to preserve the charitable deduction for all donors and asked that they consider ways to further incentivize private charitable giving. The CEOs of the 13 state and local United Ways testified that a modification to the charitable deduction would impact their ability to respond to the unique needs of their community.

The Internal Revenue Code provides a deduction to the roughly one-third of taxpayers who itemize their deductions for charitable contributions. Taxpayers may contribute on a deductible basis to charities, churches, universities, hospitals, museums, and certain other tax-exempt organizations.

Limiting the deduction would result in reduced giving to charity and significantly affect our sector's ability to deliver social services.
Americans give for a variety of reasons. It is rare that someone gives to charity only because of a tax incentive, but tax incentives are often a factor in how much someone donates. In a recent study, United Way Worldwide found that 23% of high net-worth individuals indicated that receiving tax benefits for their charitable contributions was a "major" motivation for giving.

At the same time that government funding for human services is being cut, we cannot afford to limit charities' capacity to serve communities. That amounts to a double-hit for people who need help the most. With today's economic realities, we should be incentivizing more charitable giving, not less.

In addition to the hearing, 100 state and local United Ways visited Capitol Hill during the past week to lobby policymakers on protecting the charitable deduction and averting the sequestration that will take effect on March 1. Combined, across-the-board cuts to discretionary education and human service programs and limits to charitable giving incentives in the tax code could leave millions of Americans who need help with no place left to turn. United Way will continue to advocate for policies that strengthen and support the vulnerable communities we serve.

If you would like to advocate for the preservation of the charitable deduction, you can learn more at**www.unitedway.org/advocate**. At this site, you can also learn more about United Way's national public policy priorities and how you can get involved.

It takes many voices united to make a difference. Thank you for Living United!

Kevin Wilhelm is the executive director of Middlesex United Way.

http://middletownpress.com/articles/2013/02/16/news/doc511e6073eea01369492663.txt