



IN MIDST OF NATIONAL DEBATE ABOUT THE CHARITABLE DEDUCTION, OREGON GIVES MORE GENEROUSLY THAN NATION AS A WHOLE

December 5, 2013

The Oregon Community Foundation's recently released 2013 Giving in Oregon Report has found that Oregon nonprofits received more than \$1.6 billion in donations in 2011, up from just under \$1.5 billion in 2010. Individual giving also increased in Oregon from 2010 to 2011 while giving nationally decreased during the same period.

Additionally, individual giving in Oregon has recovered from the recession and giving rates are now higher than they were in 2007. This comes at a time when Congress is debating the merits of preserving the charitable deduction for individuals so charitable contributions can continue to support the vital programs and services on which Oregon, and American, communities rely.

"Proposals for deficit reduction that include weakening the charitable giving incentive will truly impede the ability of Oregon nonprofits to continue serving their communities," said Max Williams, OCF President and CEO. "We are proud that Oregonians give more generously – both monetarily and of our time – than the nation as a whole, so ensuring that the charitable deduction remains intact will allow us to continue adding critical capacity to nonprofit services around our state."

In 2011, Oregon (17th) outranked both California (25th) and Washington (38th) in contributions as a percent of income, despite a median household income lower than either of those states. And this generosity cuts across income levels with Oregonians at all income categories giving more than national averages. In 2011, the wealthiest Oregonians (those making more than \$200,000 per year) gave an average of 3.8 percent of their incomes, compared to an average for wealthy Americans of 3.0 percent nationally.

According to data collected by the Corporation for National Community Service's Volunteering and Civic Life in America report, Oregonians volunteer more than their counterparts nationally.

In 2011, more than half of Oregon volunteers gave their time to education or religious organizations. Interestingly, almost half of adults (49 percent) whose parents volunteered frequently volunteer themselves, compared to 20 percent among those whose parents rarely or never volunteered. Parental involvement also helps account for how generously people give.

The Oregon Community Foundation has been publishing the Giving in Oregon Report for more than a decade in order to track philanthropy and its effects on the nonprofit sector. Information on giving in this release comes from 2011 Internal Revenue Service data. Find more data on 2011 contributions as a percent of income and 2011 state charitable giving rankings by reading the Giving in Oregon Report.

<http://www.cascadebusnews.com/news-pages/e-headlines/4677-in-midst-of-national-debate-about-the-charitable-deduction-oregon-gives-more-generously-than-nation-as-a-whole>

The Oregonian

TAX DEDUCTION FOR OREGON CHARITIES SERVES NOT AS LOOPHOLE, BUT 'LIFELINE': EDITORIAL

December 6, 2013

By The Oregonian Editorial Board

People in Oregon are a generous bunch, though many earn a lot less these days than they'd like. They volunteer more than the national average, and they give a greater share of their income to charity, too.

Perhaps this is why the periodic attacks on charitable tax deductions seem so off-putting and ill-placed. Oregon's nonprofit leaders, with help from elected officials and supporters, are right to champion the parts of the tax code that encourage charitable giving. These deductions are not just a way for opportunistic people to cut their tax bills. They also help build local resilience and reduce community dependence on government help.

President Obama has regularly suggested limiting charitable deductions as a means to generate more government revenue. Others from both parties have eyeballed charitable deductions as part of a larger deficit reduction deal. At the state level this year, Democratic lawmakers considered trimming the state charitable deduction, then dropped the proposal in the face of widespread opposition.

The idea is likely to keep coming back, whether as a broad federal cap affecting taxpayers nationwide or as a state limit targeting the well-heeled neighbors of certain shoe-company founders. Yet most proposed reforms can't hold up to scrutiny, because they risk hurting the very nonprofits that are so dependent on voluntary generosity.

"The charitable deduction is unique," U.S. Sens. Ron Wyden, D-Ore, and John Thune, R-S.D., wrote in a recent letter to Senate Finance Committee leaders who are weighing changes to the tax code. "It is the only provision that encourages taxpayers to give away a portion of their income for the benefit of others. For this reason, it is not a loophole, but a lifeline for millions of Americans in need."

Oregon ranks 17th in the country for charitable donations as a percentage of income, according to a new report released last week by the Oregon Community Foundation. This above-average generosity extends across all income levels, with wealthiest Oregonians giving away the highest proportion of their income. Oregonians earning more than \$200,000 annually give about 3.8 percent of their income, compared to about 3 percent nationally for their affluent peers. Oregonians earning less than \$100,000 give away about 1.6 percent of their income, slightly higher than their peers nationally.

Their main reasons for doing so are altruistic, according to a 2013 Oregon Values and Beliefs Survey. Oregonians cite helping the less fortunate and making the world a better place as top motivators for writing those checks to the local food bank or PTA. Yet tax incentives play a role, too. National research suggests that tax deductions inspire people to go the extra mile, look for new ways to donate and quit putting off their good intentions to give back.

Consider one example from the Independent Sector, a national coalition of nonprofits: When a person in the highest tax bracket donates \$1,000, the government foregoes nearly \$400 in tax revenue — but the local community benefits from the entire \$1,000 gift.

It's hard to find a government program that could leverage that kind of private spending, the coalition says. And if the deduction shrank or disappeared, that \$1,000 gift might do the same, leaving private nonprofits less equipped to meet local needs.

Oregon's nonprofits came together during last year's "fiscal cliff" crisis to lobby hard against changes that would hurt charitable giving. They're staying vigilant, as they should. Meanwhile, Oregonians should continue their proud tradition of giving to schools, soup kitchens, medical research centers and other

worthy organizations. Whether their motivation is to save the world, impress their C.P.A. or outsmart Uncle Sam, the money changes lives all the same.

http://www.oregonlive.com/opinion/index.ssf/2013/12/tax_deduction_for_oregon_chari.html

The Bulletin

EDITORIAL: CHARITABLE GIVING TAX DEDUCTION DESERVES SUPPORT

December 5, 2013

The federal tax deduction for charitable giving is under assault from those who think it is inefficient and favors the rich.

We favor the view that it's "a lifeline and not a loophole," as U.S. Sen. Ron Wyden told a Portland audience Monday, and we welcome the Oregon Democrat's active support.

Wyden spoke at a senior lunch center, according to The Oregonian, saying cuts to the deduction would hurt donations and charities' ability to help the needy.

Critics, including President Barack Obama, have urged limits on the deductions, particularly for the wealthy. The rich get more of the benefit from the deduction in reduced taxes, opponents say, and their donations favor charities they prefer. Others argue little of the money goes to truly charitable purposes.

Supporters say the popular deduction is critical to charitable giving, and nonprofit organizations lobby for the tax benefit.

While it's certainly true that the charitable deduction cuts tax collections, it does so by redirecting funds to accomplish public good, to help those in poverty, to support the arts and to support a multitude of other interests. It gives taxpayers the opportunity to have a direct say about how that money is spent. And it encourages them to give more. While the rich may get more of the benefit, it's an opportunity open to many taxpayers.

Those are powerful benefits — for all of us.

<http://www.bendbulletin.com/home/1335316-151/editorial-charitable-giving-tax-deduction-deserves-support>



CENTRAL OREGON'S NEWS LEADER

**WYDEN: CHARITY TAX DEDUCTION 'LIFELINE, NOT LOOPHOLE'
KTVZ (OR)**

December 5, 2013

By Katie Higgins

Sen. Ron Wyden, D-Ore., made a stop in Bend Thursday, one of several where he's talking about issues related to charitable giving — a timely issue at the holidays — and vowing to fight to preserve tax deductions that help fuel donations.

After answering questions from students at Summit High, Wyden and officials with several non-profits spoke the Bend Senior Center about tax reforms that could affect local charities and your tax deductions.

A new year means new tax reform proposals, and Wyden said every issue is on the table, including charitable tax deductions. President Obama has proposed a cap for these deductions in the coming year. Wyden said he teamed up with Republican Senator John Thune from South Dakota to work against that proposal.

He noted that element of tax reform could reduce the amount of money you're able to deduct for giving to charities like Meals on Wheels, the United Way or the Bethlehem Inn.

After the news conference, Wyden rode along with a local non-profit, Meals on Wheels, and delivered meals to senior citizens on a frigid day in Bend.

"The charitable deduction in America is a lifeline and not a loophole," Wyden said. It's a lifeline connecting a community of helpers with those in need. And Central Oregon is a particularly large group of givers.

"We are looking at a budget of \$700,000, the majority of which comes from businesses that have a motivation to help us out," said Gwen Wysling of the Bethlehem Inn.

Wyden isn't concerned the amount of people giving would decrease, because he said that the reason people give isn't primarily because of tax deductions. He is concerned, however, that people might give less money.

One thing is for sure, the need for giving is not going away. In fact, it's increasing.

"Our needs are up, and so is the demand on how we can get that work done on a daily basis," Wysling said.

The days are getting colder here in Central Oregon, adding even more stress on organizations trying to help. That hasn't stopped charities, though.

"It's pretty cold here in Central Oregon, but I'm meeting a lot of warm hearts," Wyden said.

<http://www.ktvz.com/news/wyden-charity-tax-deduction-lifeline-not-loophole/-/413192/23345162/-/spenu8/-/index.html>



SEN. WYDEN DEFENDS CHARITABLE DONATION TAX BREAKS

December 2, 2013

By Orion Ludlow

PORTLAND, Ore. – President Barack Obama wants to cap charitable deductions for high-income taxpayers, but he has a fight on his hands against lawmakers from both sides of the Senate. Oregon Sen. Ron Wyden, a Democrat, is teaming with Republican Sen. John Thune of South Dakota to oppose the end of the charitable-giving tax breaks.

The proposal is part of Obama's plan to limit itemized deductions. Right now, the highest-level taxpayers can deduct nearly 40 percent of their donation. The president's plan would cap the deductions at 28 percent, part of sweeping tax code reform that he hopes will boost federal revenue.

Wyden and Thune are members of the Senate Finance Committee. They've drafted a letter stating their opposition to the plan because charities could suffer with fewer and smaller donations.

"The charitable deduction is the only provision in the tax law that encourages taxpayers to give away a portion of their income for the benefit of others," Wyden told KATU. "For that reason, it is not a loophole, but a lifeline for millions of Americans in need."

Wyden insists he's not just protecting the rich.

"I don't take a backseat to anybody in terms of the need to clean up the abuses and sweetheart deals that litter that tax code," Wyden said. "But let's be clear that charitable donation is not one of these."

<http://www.katu.com/politics/Sen-Wyden-defending-charitable-donation-tax-breaks-234163641.html>

The Oregonian

RON WYDEN PUMPS HIS CAMPAIGN TO PROTECT FULL TAX DEDUCTION FOR CHARITABLE GIVING

December 2, 2013

By Jeff Mapes

As discussion of tax reform heats up on Capitol Hill, Sen. Ron Wyden appeared at a senior lunch center in downtown Portland to promote his opposition to reducing the tax break for charitable contributions.

“We believe the charitable deduction in the federal tax code is a lifeline and not a loophole,” said Wyden, who appeared with four local charitable leaders at the Elm Court Center, which is run by Meals on Wheels People.

The Obama administration has repeatedly proposed new limits on the itemized deductions that high-income individuals could take. Republican presidential nominee Mitt Romney also had his own proposal for limiting deductions by wealthy taxpayers and several other groups have argued that curtailing charitable deductions would help drive down overall tax rates.

So far, these proposals have gone nowhere, in large part because charitable deductions enjoy wide public support and the non-profit community has vigorously lobbied to defeat them.

Wyden’s opinion in this debate matters because he is in line to chair the Senate Finance Committee after the 2014 elections if Democrats keep control of the Senate. The current chairman, Montana Democrat Max Baucus, is working on his own plan to simplify the code and drive down tax rates but he hasn’t said yet what he wants to do with charitable deductions.

Wyden argued that curtailing the tax deduction for charitable contributions would wind up reducing donations and hurt the ability of charities to help the needy.

Wyden’s stance was cheered by three non-profit officials: Max Williams, who heads the Oregon Community Foundation; Jim White, executive director of the Nonprofit Association of Oregon, Joan Smith, executive director of Meals on Wheels People, and Mark Langseth, the chief executive officer of the I Have A Dream Foundation.

“Tax policy should always encourage people to give freely of their resources to make Oregon a better place,” said Williams.

Wyden and Sen. John Thune, R-S.D., who is also on the finance committee, earlier this month circulated a letter saying that Americans donated more than \$300 million to charitable organizations last year and that this produced more than \$1.1 billion in economic activity.

http://www.oregonlive.com/mapes/index.ssf/2013/12/ron_wyden_pumps_his_campaign_t.html

The Oregonian

KEEP YOUR HANDS OFF THE CHARITABLE WRITE-OFF

August 21, 2013

By Steve Duin

Because the numbing assault on the charitable deduction is a stab at tax reform, much of the commentary is leaden and tedious. The Senate Finance Committee held its recent white paper on the subject to 19 pages “for the sake of brevity.”

So, let’s cut to the chase:

Why would we levy additional taxes on people when they’re at their generous best, not their miserly worst?

What’s wrong with the agreement that if you don’t consume it, the government won’t tax it?

And why waste a moment ruminating about a proposal that would, deservedly, doom any tax-reform package to defeat?

Some deductions and tax breaks are sacred. Not that write-off for the corporate jet, I’m afraid, or the nifty dodge that allows Apple to transfer billions in income and profit to “stateless” subsidiaries in Ireland.

But the charitable deduction is sacrosanct. It’s not a loophole, as Sen. Ron Wyden likes to say: “It’s a lifeline.”

A lifeline for nonprofits and the communities they serve. A godsend for hospitals, universities, orchestras, museums, think tanks, churches and synagogues, and that forlorn orphanage in Tanzania.

“It’s not just another garden-variety write-off,” Wyden said Wednesday. “And it shouldn’t be a bargaining chip.”

The charitable deduction is being (mis)cast as one in the tax debate because revenue is scarce and the deduction drains \$54 billion from the federal pool. That’s approximately half the “cost” of the mortgage deduction for owner-occupied homes.

Critics are also troubled that the itemized deduction primarily benefits the wealthy: 85 percent of the charitable contributions, and tax breaks, are claimed on the returns of filers who earn at least \$100,000, according to the Joint Committee on Taxation.

As Richard H. Thaler, a professor of economics and behavioral science at the University of Chicago, wrote last year, “If people want to give money to a worthy organization, applaud them. But let them do it on their own dime. I don’t think it says anywhere in the Bible that tithing should be calculated on a before-tax basis.”

Although I’ve never made it through Leviticus, I believe that’s true. But let’s talk behavioral science. As Steven Moore, executive director the Murdock Charitable Trust, notes, charitable dollars have an intense gravitational pull.

Donors often follow their donations into the arena of need, resulting in a far greater return on those investments for the soup kitchen, the children’s hospital or the local theater.

“It’s a huge motivator for people at all levels to do good,” Moore says.

“An entry,” Wyden adds, “to being involved in a lot of other ways that you can’t measure.”

Charitable contributions topped \$300 billion last year. So what if federal tax revenue dropped \$54 billion thanks to the accompanying deduction?

Nonprofits are better positioned to leverage those dollars for the public good. Simply put, the passion of advocates trumps the benevolence of bureaucrats.

In a strained economy — observes state Rep. Jason Conger, R-Bend — a robust nonprofit community is more responsive and efficient in addressing local needs than state government.

Why would we discourage those nonprofits, and their benefactors, in any way, shape or tax “reform”?

“It seems counter-intuitive and self-destructive,” Conger said. “I don’t care what party you’re in. It’s an incredibly bad idea.”

The perfect grist, in other words, for Capitol Hill.

“I think the charitable write-off is going to be on the table for cutting back,” Wyden said. He’s convinced cutting or curbing the deduction would “harm the safety net and our ability to address the needs of people who don’t have power or political clout.”

He’s right. Let it rest.

http://www.oregonlive.com/news/oregonian/steve_duin/index.ssf/2013/08/steve_duin_keep_your_hands_off.html