



November 7, 2011

The Honorable Jon Kyl
United States Senate
Washington, DC 20510

RE: Protect the Charitable Giving Incentive

Dear Senator Kyl:

The Alliance of Arizona Nonprofits is honored to be among the more than 275 Arizona nonprofit organizations and more than 3,500 nationally that have signed onto the attached nonprofit community letter expressing the need for and the importance of the charitable giving incentive for individuals. Collectively, the signing nonprofits employ millions of Americans and serve tens of millions in our local communities. In this letter to you and your colleagues on the Joint Select Committee on Deficit Reduction, we urge your full support for the giving incentives in federal tax law so that charitable contributions can continue to support vital programs and services throughout Arizona. Specifically, we ask that the deficit reduction committee include in any tax reform instructions a clear, express statement that the charitable giving incentive shall not be weakened.

The challenges before the Joint Select Committee and our Nation are enormous, and the nonprofit community, as always, is ready to serve as an essential partner with government. Indeed, nonprofit organizations throughout Arizona and the United States work every day to improve lives, strengthen communities and the economy, and lighten the burdens of government, taxpayers, and society as a whole. Nonprofits employ more than 13 million individuals nationally and contribute more than five percent to the Gross Domestic Product of the United States. In Arizona alone, we employ more than 120,000 people and contribute approximately \$20 billion to the state's economy each year (that is 450 Super Bowls every year).

We recognize that the Joint Select Committee may adopt cuts and reforms that could further undermine the ability of nonprofits to deliver programs and services in our local communities, much less to expand them to meet the increased needs resulting from the lagging economy and policy choices being made at all levels of government. The attached letter makes clear that under these conditions, nonprofits may not merely be the next place for people in need to turn; we are likely their only place to turn. The charitable giving incentive is a critical tool by which nonprofit organizations are able to secure the resources needed to fill any gaps that are created and to expand to meet the growing needs.

The Alliance of Arizona Nonprofits joins with the more than 3,500 nonprofits nationally in asking you and your colleagues in Congress to "avoid endangering the ability of



nonprofits to serve your constituents and our communities by making a clear statement in support of the charitable deduction and in opposition to proposals to reduce or cap the value of deductions for charitable contributions.” We also ask you to consider the heartfelt comments from frontline nonprofits about the impact that changes to the charitable giving incentive would have on our communities:

- “75% of our funding comes from individual donors who support [the organization, a human services nonprofit in the Southwest] -- our missions' values are independence and resilience of seniors and families in need. When federal and state programs are being cut, our staff and volunteers work one-on-one with individuals. Governments want non-profits to fill the gaps; how can we if you cut the charitable giving tax incentive? Who will take care of our seniors and families if traditional donors no longer give?” *Green Valley Assistance Services, Inc., Green Valley, AZ*
- "We provide progressive programs for individuals with developmental disabilities. We offer many services -- vocational development, placement and support, functional literacy, Special Olympics, fitness, supportive residences, arts opportunities, and peer relationship development. These people deserve the opportunities those of us without significant challenges take for granted. Please help us continue to help this vulnerable population achieve their dreams of optimal independence and full contribution to and inclusion in their communities." *One Step Beyond Progressive Programs for People with Developmental Disabilities, Peoria, AZ*
- "We oppose any effort to restrict the charitable giving tax deduction. 100% of our funds come from contributions made by community members, from those of modest means, to wealthy individuals. Charities today are being called upon, to an unprecedented degree, to "fill the gaps" created by our devastated economy, and the massive cuts to social services programs at the state level. Further, nonprofits are also local economic engines, providing thousands of jobs and spending millions in local economies. Protecting the "giving incentive" is the right thing to do...and the smart thing to do." *Arizona Foundation for Women, Phoenix, AZ*
- "[Page Regional Domestic Violence Services] provides an array of services including crisis counseling and emergency shelter for victims of domestic violence and sexual assault. PRDVS has relied on federal and state resources for many years but in recent years, there have been drastic cuts thereby reducing our level of services. In response to this, PRDVS Board has begun to raise funds by soliciting donations from individuals and area businesses. So it is vital that tax deductions from donors remain in place if we are to continue to provide the much needed services for our region. Please, support PRDVS by not eliminating the tax contribution incentives." *Page Regional Domestic Violence Services, Page, AZ*



- "Thankfully, there is a charitable giving incentive for nonprofits. Because of it we are able to feed seniors in our community, providing them transportation to and from our centers, and a place to congregate and socialize." *YWCA Maricopa County, Phoenix, AZ*
- "We are the only hope some families have. Please don't cut off our ability to continue to provide support to our communities." *Phoenix Inner City Kids, Phoenix, AZ*
- "Since Medicaid has been cut in our state, our services to those that have no insurance have increased by 75%. We serve these individuals through donations. Where are they going to turn to if you block our charitable donations? Are you going to take care of them?" *Child & Family Services of Yuma, Yuma, AZ*

As you can see, the employees and volunteers working at nonprofits every day for the common good in communities in our state and across the country are not focused on the nuances, theories, or experiments that Congress may be considering. Rather, they are concerned with how they will meet a growing demand for their services and programs under increasingly difficult economic and public policy challenges. We ask that you send a clear signal to the millions of people served by, working for, and donating to the nonprofit community in Arizona that the charitable giving incentive and the programs it supports must be maintained.

Sincerely,

A handwritten signature in blue ink that reads "Patrick McWhortor".

Patrick McWhortor
President and CEO

Attachment