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7 November 2011

The Honorable Jeb Hensarling
United States Representative
Washington, DC 20515

RE: Protect the Charitable Giving Incentive

Dear Representative Hensarling:

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 Texas 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. We are, however, concerned with how we will meet a growing demand for our services and programs under increasingly difficult economic and public policy challenges.

With that in mind, we ask that you send a clear signal to the millions of people served by, working for, and donating to the nonprofit community in Texas that the charitable giving incentive and the programs it supports must be maintained.

The Texas Association of Nonprofit Organizations is honored to be among the nearly 350 Texas nonprofit organizations and nearly 4,000 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 the attached 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 Texas. 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.

Nonprofits nationally employ more than 13 million individuals and contribute more than five percent to the Gross Domestic Product of the United States. In Texas, nonprofits employ more than 3.8% of the workforce (403,196; one out of 26 workers), which means that the Texas nonprofit sector employs eight times as many workers as the state's utilities industry, five times as many workers as the state's oil and

gas extraction industry, and 20% more workers than the entire Texas state government. We earn wages totaling \$16.8 billion and contribute \$1.6 billion to state and local tax revenue.

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 Texas Association of Nonprofit Organizations 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.”

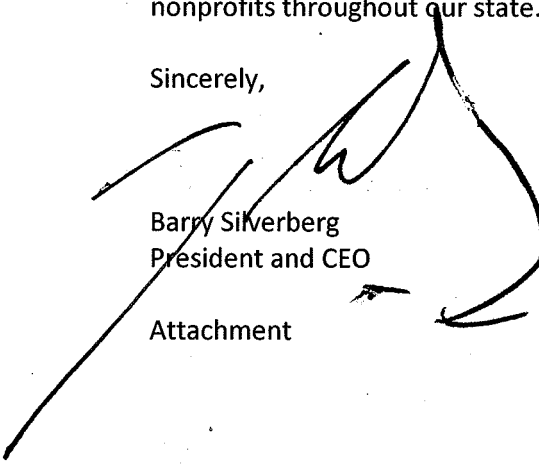
We ask you to consider the heartfelt comments from frontline nonprofits about the impact that changes to the charitable giving incentive would have on our communities:

- "If the opportunity to give to charities is no longer tax deductible, people won't be as open to giving. We have already had major cuts in our grants. Who is going to take care of all the issues in the world that the government doesn't?" *Dallas Area Rape Crisis Center, Dallas, TX*
- “The San Antonio Bay Partnership, Inc. (SABP) is a recently formed nonprofit organization dedicated to protecting, restoring and enhancing the natural resources and human uses of the San Antonio Bay/Guadalupe Estuary System on the mid-Texas coast. SABP does not receive any dedicated state or federal funds for its activities, but, instead, relies solely on grants and charitable contributions -- both of which are already difficult to obtain. Any elimination of, or reduction in, the income tax deductibility of charitable donations will make the fund raising situation even more difficult.” *The San Antonio Bay Partnership, Inc., Victoria, TX*
- “With dollars declining from government, foundations and corporations, our agency depends on individuals' generosity to ensure we can protect abused women and children with shelter and other services that create contributing members to a healthy community.” *SafeHaven of Tarrant County, Hurst, TX*
- "It's hard enough dealing with the slowdown on donations due to the economy, but it is an added blow if our expenses are raised by this legislation at the same time." *South Texas Food Bank, Laredo, TX*
- "As a charitable, nonprofit medical clinic we provide an invaluable resource to those in our community who are not covered by government nor private insurance. Tax deductible gifts are a mainstay of our financial plan. Please protect the rights of citizens to make these tax deductible gifts." *Faith Family Clinic, San Antonio, TX*

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 Texas that the charitable giving incentive and the programs it supports must be maintained.

On behalf of our Texas nonprofits and all Texans, we thank you for acting to support strong and effective nonprofits throughout our state.

Sincerely,



Barry Silverberg
President and CEO

Attachment