

April 8, 2013

House Revenue Committee  
Oregon House of Representatives  
900 Court St SE  
Salem, OR 97301

Dear House Revenue Committee members,

We recently learned that this Tuesday, April 9, you will be taking Public Comment on HB2456. This bill, like others before you, would limit or end tax deductions for charitable contributions. The goal of this bill, we assume, is to raise additional tax revenue for the state.

We are doubly alarmed by HB2456 as it would terminate all itemized tax deductions, including the deduction for charitable gifts, effective January 1, 2014.

We enter this letter opposing the elimination of the charitable tax deduction in HB2456, and any other similar bills, into Public Comment.

We hope that you will join us in opposing any limitation on charitable deductions.

The negative effect of losing the charitable contribution deduction would be significant. It has been a longstanding incentive for donors to give to charities and there is extensive data, experience in other states, as well as our own observation to show that the tax deduction increases charitable giving. Limiting or ending charitable deductions will harm charities, the people they serve, and the quality of life in our communities. Accordingly, we oppose any reduction in deductions for charitable contributions included in HB2456 and similar bills.

Nonprofit organizations, along with other private and public institutions, are key threads in the social fabric of our communities. Nonprofits contribute a wide variety of benefits to society. They are often the only source of essential services to Oregon's most vulnerable citizens - those who are homeless, hungry, disabled, victims of domestic violence and abuse, veterans, seniors and children. Nonprofits also promote arts and culture and protect and restore the environment. Their works reflect the values of all Oregonians

Each organization relies on a combination of private sector and government support. Although funding sources vary by mission and organization, private contributions of cash, volunteer time and in-kind goods and services comprise part - or all - of every charity's budget.

Over the last four years of economic distress nonprofits have struggled to meet increasing demand for services even as donations have dropped off. Nonprofits, just like the people and communities they serve, are striving to do more with less. And like the people they

serve, many nonprofits are stretched to the limit and unable to meet the needs of those people they care so passionately about.

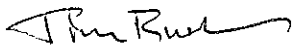
Regardless of how much of an organization's budget consists of private donations, such donations are more flexible than grant funding, allowing nonprofits to be dynamic and respond quickly to immediate needs. In addition, showing community investment is almost universally required for nonprofits to compete for grant funds. The measure of community investment? Local donations.

In other words, the charitable giving deduction is not just another tax loophole – it is a critical component of the nonprofit funding system. Proposed state and federal tax code changes to eliminate or weaken charitable giving fail to account for this.

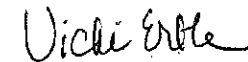
If such changes are enacted, they will greatly reduce the ability of nonprofits to meet critical and beneficial community needs and causes. That would inevitably lead to greater dependence on government safety net services and shift the cost burden onto the state, which will more than offset any increase in revenue.

Again, we hope that you will join us in opposing any limitation on charitable deductions.

Respectfully,



**Tim Rusk, Executive Director**  
MountainStar Family Relief Nursery




**Vickie Ertle, Executive Director**  
Family Resource Center



**Cora Gangware, Philanthropy Officer**  
St. Charles Foundation



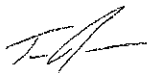
**Mike Riley, Executive Director**  
The Environmental Center



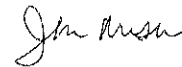
**Holly Remer, Executive Director**  
Healthy Beginnings



**Cate O'Hagan, Executive Director**  
Arts Central



**Tim Johnson, Executive Director**  
Abilitree



**Jen Rusk, Development Director**  
MountainStar Family Relief Nursery



**Larry Lakes, Executive Director**  
Volunteer Connect

**Amanda Gow, Program Director**  
Big Brothers Big Sisters of Central Oregon

