

Public Testimony in Opposition to HB 2456
April 10, 2013

Representative Phil Barnhart, Chair
Representative Jules Baily, Vice-Chair
Representative Vicki Berger, Vice-Chair
Representative Cliff Bentz
Representative Jason Conger

Representative John Davis
Representative Sara Gelser
Representative Tobias Read
Representative Jessica Vega Pederson

Chair Barnhart and members of the House Revenue Committee:

We write today on behalf of the Portland Art Museum in opposition to HB 2456, the proposal to phase out the charitable contribution tax deduction for Oregonians earning over \$125,000. The passing of this resolution will have a lasting, detrimental effect on the State of Oregon and its citizens.

Private philanthropy is a driving economic force for nonprofits across the state. Fifty percent of the Portland Art Museum's annual revenue comes from charitable contributors, a high percentage of which live in households with incomes over \$125,000. These gifts support and subsidize the Museum's commitment to physical and intellectual accessibility: one-third of our visitors attend the Museum for free, and we have leveraged the State of Oregon's \$466,000 CHAMP II investment into \$1.5 million for digitizing the Museum's collection and engaging Museum audiences through digital strategies. These programs open the Portland Art Museum to Oregonians from diverse economic and geographic backgrounds and would be profoundly hampered by a decrease in private philanthropic giving.

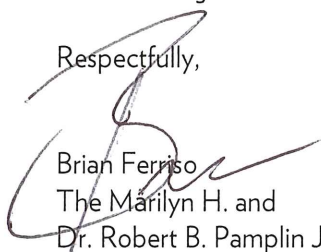
In a letter to the U.S. House of Representatives Committee on Ways and Means, the Giving Institute reported that "limiting . . . the charitable tax deduction would be deeply injurious to the health of our nation's philanthropic sector – a sector that . . . gives back to our economy an estimated \$3 in services for every \$1 in tax relief a household receives." This return on investment means that the state stands to lose far more than the \$170M it expects to gain from passing HB 2456.

Furthermore, research from the Center on Philanthropy at Indiana University reveals a correlation between tax policy and giving. For example, giving from donors with incomes greater than \$200,000 would drop precipitously if the charitable tax deduction were eliminated. Giving USA also reports that high-net-worth donors (those with incomes greater than \$200,000 or assets greater than \$1 million) who are motivated by tax benefits give, on average, \$11,300 more than those who are not, and that 100 percent of donors at the highest income levels cited tax incentives as a significant motivator in their charitable giving plans.

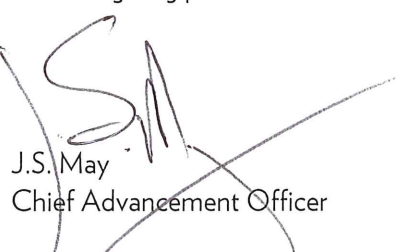
Charitable giving incentives are an investment in the public good, and HB 2456 will reduce such investment, seriously impacting vital services for hundreds of thousands of Oregonians and tens of thousands of nonprofit jobs.

On behalf of the Portland Art Museum, our Board of Directors, and the 300,000 visitors we serve annually, we urge you to vote against HB 2456, which phases out the charitable gift deduction for higher income Oregonians. Preserving tax incentives for charitable giving provides a net benefit to the public.

Respectfully,



Brian Ferriso
The Marilyn H. and
Dr. Robert B. Pamplin Jr. Director



J.S. May
Chief Advancement Officer