

FAITH & GIVING COALITION

May 22, 2014

The Honorable David Camp
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

RE: Cover Letter for the Faith & Giving Coalition's Response to the Tax Reform Act of 2014

Dear Chairman Camp:

We write to you as a national coalition of faith-based charities and religious organizations to share our unique perspective on the Tax Reform Act of 2014. The enclosed memorandum provides (1) information on the vital role that private giving plays in the faith community, and (2) our response to certain provisions in your proposal. The list below provides a brief outline of our response.

1. Donors make our religious and charitable work possible: Our privately funded religious and charitable work would be impossible without generous support from donors, who give their in myriad ways—from simple cash donations to complex gifts of real estate, stocks, and closely-held business interests.
2. Faith-based charities and religious organizations are responding to significant human need in every state in the midst of a slow economic recovery: The human needs being met by the faith community each day are enormous and go far beyond the government's capacity to respond.
3. We rely heavily on private gifts to carry out our religious and charitable work: Many Faith & Giving Coalition partners rely almost entirely on private donations to carry out their national and international religious and charitable missions.
4. Nearly three-quarters of all American giving goes to organizations with religious ties: A 2013 report found that: "Nearly three quarters of Americans' charitable giving—73 percent—goes to organizations with religious ties;" therefore, any tax reform that unintentionally causes private giving to decline would have a significant impact on America's faith community.
5. Private giving to the faith community encompasses and exceeds the giving of alms and tithes: Contributions to the faith community create and nurture the diverse institutions that mirror our own diversity and promote human flourishing and wellbeing in our communities through religion, education, human services, health care, and the arts.

6. State tax reforms that weaken charitable tax incentives cause giving to fall—Congress must not make the same mistake: Various tax reforms enacted in Michigan, Hawaii, Missouri, and Montana caused private giving to fall; while North Carolina, Kansas, and Minnesota, sensing the potential for harmful unintended consequences, wisely rejected limitations on charitable tax incentives.
7. Private giving is revenue found, not revenue lost: Robust charitable tax incentives are not a drain on federal tax revenue; they are a powerful and efficient human and financial engine for good in our society, and their value to society is greater than if the dollars had simply been taxed and spent.
8. The Tax Reform Act of 2014, if enacted, would weaken charitable tax incentives and has the potential to significantly disrupt private giving: While there are specific provisions in the proposal meant to encourage charitable giving, we feel the proposal's cumulative effect, if enacted in its current form, would be harmful to our faith-based charities and religious organizations for several reasons.
9. Congress must preserve and strengthen the freedom to accomplish good: The proposed Tax Reform Act of 2014 has important moral implications that transcend its financial impact. Our collective work, the communities we serve, and the millions of Americans who benefit from a vibrant faith community and charitable sector, depend on your thoughtful legislation.

We hope this cover letter and our enclosed response are the start of an open, thoughtful, and ongoing dialogue with your Committee. Thank you for considering our initial response to the Tax Reform Act of 2014, and we look forward to working with you, your colleagues, and the Committee's professional staff throughout the tax reform process.

Respectfully,

Accord Network
 Association of Christian Schools International
 Association of Gospel Rescue Missions
 Christian Alliance for Orphans
 Christian Medical Association
 Convoy of Hope
 Evangelical Council for Financial Accountability
 Focus on the Family

Food for the Hungry
 Home School Legal Defense Association
 Institutional Religious Freedom Alliance
 Jewish Federations of North America
 National Christian Foundation
 Samaritan's Purse
 Union of Orthodox Jewish Congregations
 World Vision, Inc. (US)

cc: Members of the Committee on Ways and Means
 Enclosure