



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Charitable package endorsement
Da: Tuesday, July 25, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, is working to advance his package of charitable giving incentives and safeguard measures as part of the pending pension reform legislation. Independent Sector, a nonprofit, nonpartisan coalition of approximately 550 charities, foundations, and corporate philanthropy programs, collectively representing tens of thousands of charitable groups in every state across the nation, this week asked President Bush to help secure passage of the Grassley package. Grassley made the following comment on this endorsement.

“Independent Sector speaks for much of the charitable community. It’s important to get this endorsement. My package of charitable giving incentives and protective steps would help encourage new donations and ensure that charitable dollars go to charities, not to enrich individuals at charities’ expense. I hope we’ll enact this package as soon as possible.”

The text of Independent Sector’s letter follows.

July 24, 2006

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Bush:

I am writing today on behalf of hundreds of charitable organizations who support the efforts of Senators Charles Grassley and Max Baucus to enact legislation to help prevent abuse in the charitable sector and provide additional tax incentives for all Americans to give more resources to the charitable community. We ask that you exercise your strong leadership at this critical moment to help secure the passage of a significant package of charitable giving incentives and important charitable safeguard measures as part of the pending pension reform legislation.

As you know, the Senate's version of the "Tax Relief Act of 2005" (H.R. 4297) contained an important package of charitable reforms. The proposed reforms are intended to address alleged abuses in the charitable sector reported in numerous media stories over the last several years. The charitable community believes that both government and the sector itself must take appropriate action to prevent and punish illegal and unethical conduct in the charitable sector because, although the vast majority of nonprofit organizations operate in a lawful and ethical manner, each reported abuse harms the entire sector by undermining the public trust and support for our work. The reforms as currently drafted will strengthen the work of our sector by deterring potential abuse of charities and create additional safeguards to ensure that donated funds are used for charitable purposes.

The Senate paired these needed safeguards with several vital charitable giving incentives. We believe that the proposed charitable incentives, which were also contained in the widely supported CARE Act and reflect previous proposals of your Administration, will help to spur increased charitable giving by all Americans. As a result, Independent Sector and a broad coalition of charitable organizations, and millions of volunteers and donors, support the passage of a significant package of charitable incentives and safeguards as part of the pension reform legislation.

In addition to enactment of these measures, we support the increased enforcement of current law, and applaud the efforts of Internal Revenue Service Commissioner Mark Everson to devote more energy and resources at the IRS on oversight of the charitable community. Indeed, we have been advocating in Congress for increased funding for IRS enforcement efforts like that proposed in your Fiscal Year 2007 budget.

Last September, I was privileged to meet with you at the White House along with other leaders of the charitable community to discuss the critical role that charities would play in responding to Hurricane Katrina and the substantial resources charities would need to meet that and other ongoing challenges. I know you to be strong and consistent champion of the charitable community, in particular through your repeated public support for increased charitable giving.

Mr. President, we believe that a strong expression of support now for this package of charitable giving incentives and needed safeguards by the White House to the leadership of the House and Senate, and the leadership of the House Ways and Means Committee and Senate Finance Committee, would help ensure their enactment as part of the pension reform legislation and advance your long standing agenda for the charitable community. It is our view that the pension reform legislation represents the best opportunity this year to pass these incentives and reforms that will provide important benefits to charitable organizations and support strong ethical conduct within the charitable community.

Sincerely yours,

Diana Aviv
President and CEO