



Susan Hager, United Way of New York State
Richard E. Barnes, New York State Catholic Conference
Ron Soloway, UJA - Federation of Jewish Philanthropies
Elizabeth Briand, American Red Cross
(see complete list of organizations opposed on back)

MEMORANDUM OF OPPOSITION S 6610-B, A 9710C

Major state and national philanthropic organizations urge state lawmakers to oppose a new proposal to limit the deductibility of charitable contributions in order to balance the state budget.

The proposal would result in a 50% decrease in the deductibility of charitable gifts from higher income donors. Already, earners of \$1 million or more can only claim 50% of their contribution as a deduction. This proposal would allow donors earning \$10 million or more to claim just 25% of their contribution.

While on the surface this may seem like an attractive idea to raise revenue, the reality is it is exactly the wrong approach. The tax penalty in this case is not being felt so much by the wealthy taxpayer, but by the charities that are the beneficiaries of his or her philanthropy.

Government has asked those with means to increase their contributions to charity to help make up for funds that government can no longer afford to provide to help the poor and vulnerable. This proposal makes it ever more difficult for individuals of means to respond to government's clarion call to step forward and assist those in need.

Charitable agencies have seen a dramatic increase in the demand for their services by New Yorkers as a result of downturn in the economy, declines in charitable giving, government funding cuts through multiple rounds of deficit reduction, and lengthy delays in state action on contracts and payments.

This cap would reduce charitable giving and undermine our ability to help ensure that individuals and families have access to food, utilities and housing, and assistance in finding a job or an education during these challenging economic times.

America has long been defined by an endearing and powerful characteristic — its charitable spirit. Alexis de Tocqueville, the 19th-century French philosopher, described America as unique among nations for its care and compassion — part of the very fabric of our society. This core belief is embodied in our tax laws: Basically, if you give some of your income to charity, the government doesn't tax that income. No matter how much you earn, you are not taxed on income that you donate to those in need.

Any cap on charitable deductions means some people will be taxed on income they are contributing to advance the common good. Disconnecting the charitable deduction from the tax rate is a step toward abandoning who we are as a nation — one that lifts up and supports those in need. More importantly, as a result of a cap, some people will give less, and those who most need the help will be hurt.

We do appreciate the urgency of coming to closure on the budget and of the need to address the state's deficit.

However, we believe that it is unconscionable that NYS would consider a proposal that could jeopardize philanthropic giving at any level, at the same time that state funding for most human services programs has been reduced over and over again, and continues to be cut in the current budget.

Our organizations urge state policymakers to reject this proposal, or to sunset it after one year, as they have done with other revenue measures.

(Over)

List of Organizations in Opposition

Susan Hager, President, United Way of New York State
Richard E. Barnes, Executive Director, New York State Catholic Conference
Ron Soloway, UJA - Federation of Jewish Philanthropies
Elizabeth Briand, American Red Cross New York State
Howard Beigelman, Orthodox Union
Sue Santa, The Philanthropy Roundtable
Michael Clark, President, Non Profit Coordinating Committee of New York
Michael Stoller, Human Services Council of New York City
Dour Sauer, Executive Director, New York Council of Nonprofits
Denise Harlow, Executive Director, New York State Community Action Association
David C. Rich, Executive Vice President, Greater New York Hospital Association
Mark G. Ackermann, President and CEO, Lighthouse International.
Richard Altman, CEO, Jewish Child Care Association
Michael J. Callaghan, Executive Director, Nazareth Housing, Inc.
Gordon J. Campbell, President and CEO, United Way of New York City
Gary Carter, Executive Director, Little Sisters of the Assumption Family Health Service
Lauri Cole, Executive Director, NYS Council for Community Behavioral Healthcare
Howard Josepher, President & CEO, Exponents
Paul Levine, Executive Vice President & CEO, Jewish Board of Family and Children's Services
Kyle Stewart, YMCA's of New York State
Elizabeth Wilder, Grantmakers Forum of New York
Greg Arcaro, Executive Director, Community Planning Council of Yonkers
Andrea Kocsis, Executive Director, Human Development Services of Westchester
Jeffrey C. Slade, President, Cragsmoor Conservancy, Inc.