

To Add Your Organization to this Sign-on Letter, e-mail Brenda Peluso at bpeluso@nonprofitmaine.org and include the following:

- Organization Name
- Regions Served (county, towns, statewide...)
- Statement acknowledging that you have the authority to endorse this letter.

Organizations that sign on before Tuesday, January 21st will be included in the first presentation to the Taxation Committee.

January 22, 2014

Committee on Taxation
c/o Legislative Information
100 State House Station
Augusta, ME 04333

Dear Senator Haskell, Representative Goode, and Members of the Joint Standing Committee on Taxation,

We write to you to emphasize the importance of protecting the charitable deduction here in Maine. We urge the committee to make a unanimous recommendation of Ought to Pass on LD 1664, An Act to Encourage Charitable Contributions to Nonprofit Organizations.

The Biennial Budget passed by the 126th Maine Legislature late this past spring contained a \$27,500 cap on itemized deductions including the charitable giving deduction. According to recent estimates by the Maine Association of Nonprofits, based on the IRS Statistics of Income Data, **Maine nonprofits could see a decline in charitable giving of almost \$20,000,000 annually** at a time when the demand for their services is increasing and their ability to meet those demands is strained. LD 1664 carves the charitable giving deduction out of the overall cap, reversing the harm this cap will cause Maine's charitable organizations.

As you consider this legislation, please consider this. The charitable deduction is different from all other tax deductions in that it is the only provision that encourages taxpayers to give away a portion of their income to benefit others. And while there are many reasons people give, the charitable deduction is an important one. A recent report issued by the US Trust revealed that 45% of high net-worth donors reported that they would give less without the charitable deduction.

Furthermore, a recent report released by the PEW Charitable Trust chronicles the harm done to the nonprofit sector in at least seven states where charitable giving incentives were removed. These states' experiences show that the decline in giving to Maine's nonprofit sector will be real if LD 1664 does not succeed.

Maine nonprofits are critical partners with state and local governments. They supplement government funding with charitable giving, volunteerism, and in-kind donations to have greater impact on the important issues of our times. Please preserve this long-time, effective incentive for charitable giving and vote Ought to Pass on LD 1664.

Sincerely,