



Key Legislator Contact Information

LD 1664: An Act to Encourage Charitable Contributions to Nonprofit Organizations

Legislators want to hear from people on this issue. It helps them understand the varying perspectives and the will of the people.

The basic message:

It was a terrible mistake to cap the charitable deduction. Other states have done so and have suffered the consequences. If Maine keeps the cap, it will be in the minority of states with an income tax that do not recognize the importance of incentivizing large contributions to the health of its charitable sector.

Please support the compromise on LD 1664: An Act to Encourage Charitable Contributions to Nonprofit Organizations:

- Sunset the cap on charitable donations on 12/31/2014
- Add a carry forward provision for donations made in 2013 & 2014

Governor's office: 287-3531

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Senator Roger Katz -- Assistant Leader of Maine Senate Republicans
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Speaker of the House, Mark Eves
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Representative Ken Fredette -- Leader of Maine House Republicans
fredlaw@myfairpoint.net -- 368-4242

Representative Seth Berry -- House Majority Leader
RepSeth.Berry@legislature.maine.gov -- 287-1430

Taxation Committee Members: http://www.maine.gov/legis/house/jt_com/tax.htm
287-1552 – leave a message.

- Chairs: Rep Adam Goode (adam.goode@legislature.maine.gov) & Senator Anne Haskell (annehask@maine.rr.com)
- Senator Rebecca Millett (senrebeccamillett@gmail.com)
- Senator Douglas Thomas (firewood@tds.net)
- Rep. Paul Bennett (bennettco2000@hotmail.com)
- Rep. Joe Brooks (joeandmary@myfairpoint.net)
- Rep. Roger Jackson (reproger.jackson@legislature.maine.gov)
- Rep. L. Gary Knight (lgary.knight@usa.net)
- Rep. Nate Libby (Nathan.libby@gmail.com)
- Rep. Stephen Stanley (stanleyss@pioneercable.net)

Additional information:

- Charitable contributions by Maine itemizers total almost \$450 million annually. These contributions to nonprofit organizations **provide critical supplements to government funding of services essential to the health and wellbeing of Maine residents.**
- **Diminution of these supplements will cause a greater cost to be borne by governments at all levels,** or by a society made poorer by the loss of these services.
- **Our slowly recovering economy requires increased investments,** not decreased investments, **by charitable individuals in nonprofit organizations that** serve all regions of Maine and **employ 1 in 7 Maine workers.** This employment level is even more significant in small rural counties. (www.NonprofitMaine.org/EconomicImpact)
- According to very conservative estimates, **Maine nonprofits will lose \$20 million annually in charitable donations if LD 1664 does not pass.** This loss in giving is significant at a time when nonprofits are struggling to meet increased demand for services and all sources of revenue are declining.
- **This will impact all types of nonprofits** – not just large institutions. We should learn from Michigan. **When Michigan eliminated tax incentives** for giving in 2011, the **loss of \$50 million** in giving in 2012 **caused significant harm to those charities which help the poor and jobless** as the state tries to recover from the recession. (<http://www.pewstates.org/projects/stateline/headlines/charitable-giving-tied-to-state-tax-deduction-decisions-85899506837>)

This Backdoor tax, while it does not impact a large percentage of tax-payers, it **impacts many who make a difference in our communities.**

- The charitable giving deduction rewards Maine people who are generous. This cap just **increased the taxes on Maine's most generous people by 7.95%.**
- Mainers who are not as generous, got a 0.5% decrease in their tax rate.
- Maine's \$27,500 cap did not just impact the very wealthy donors, it also caught many higher middle-class donors with higher property taxes and other deductions.
- Maine is already 49th in the country in per capita giving. **The loss of the tax incentive will make a bad situation worse.** We need to be strengthening our culture of giving rather than weakening it.