

June 30, 2009

The Honorable Max Baucus
United States Senate
511 Hart Senate Office Building
Washington, DC 20510-2602

Dear Chairman Baucus:

As a coalition representing a broad cross-section of operating charities across the country, we strongly urge you to oppose both President Obama's original proposal and a modified proposal to limit the value of itemized deductions for charitable contributions.

Currently, taxpayers earning more than \$200,000 (and families earning more than \$250,000) annually can take itemized charitable deductions at a rate equal to their marginal tax bracket (33 percent or 35 percent). In his FY10 budget, President Obama proposed limiting itemized deductions for these taxpayers at a 28 percent rate beginning in 2011. An alternative, modified proposal also has been suggested that would limit itemized deductions to 33 percent or 35 percent for taxpayers whose income tax brackets would increase to 36 percent or 39.6 percent in 2011.

Both of these proposals would create a disincentive for taxpayers who give the most to charitable organizations to continue their generosity. Moreover, both proposals, in essence, impose a tax on charitable giving. It would be highly unfortunate to discourage giving at a time when charitable organizations are dealing with enormous financial challenges stemming from the economic downturn. The Giving USA Foundation recently reported that in 2008, the decline in total charitable giving was the greatest since the organization began tracking U.S. charitable donations. Charities are already reporting that donations will likely be down further in 2009.

As charities struggle to meet increased demands for their services and to raise additional funds, we need to encourage all individuals, regardless of income and wealth, to give to charity. Limiting the value of the charitable deduction does the exact opposite and would fundamentally change a tax structure that has contributed to a cherished tradition of charitable giving that is unmatched in the world.

Again, we urge you to oppose both the President's proposal and the modified proposal to limit the value of itemized deductions. We look forward to working with you, your staff and the Administration to identify additional ways to encourage increased charitable giving among all individuals.

Sincerely,



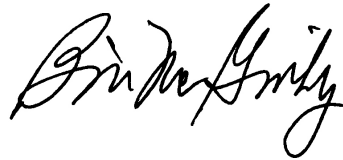
John H. Graham IV, CAE
President and CEO
American Society of Association
Executives



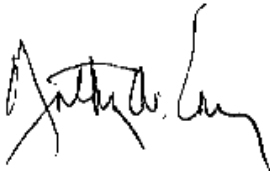
Paulette V. Maehara, CFRE, CAE
President & CEO
Association of Fundraising Professionals



John Lippincott
President
Council for Advancement and
Support of Education



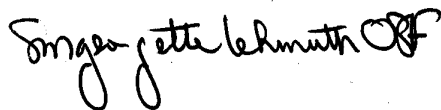
William C. McGinly, Ph.D., CAE
President, Chief Executive Officer
Association for Healthcare Philanthropy



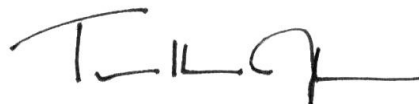
Anthony W. Conway
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Christopher M. Quinn
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DMA Nonprofit Federation



Sr. Georgette Lehmutz, OSF
President and CEO
National Catholic Development
Conference



Tanya Howe Johnson
President and CEO
Partnership for Philanthropic Planning