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CMF Council of Michigan Foundations

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A network for the common good

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An Alliance of Northern California, Southern California and San Diego Grantmakers

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Southeastern Council
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November 26, 2019

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard. E. Neal
Chair
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
House Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi, Leader McCarthy, Chairman Neal, and Ranking Member Brady,

United Philanthropy Forum and our philanthropy members across the country express our gratitude for the Ways and Means Committee's efforts to simplify the private foundation excise tax. We stand together in support of the Private Foundation Excise Tax Simplification Act (H.R. 4953) introduced by Reps. Danny Davis (D-IL) and George Holding (R-NC), which would simplify the current two-tier private foundation excise tax to a revenue-neutral, flat rate of 1.39 percent.

As you know, private foundations are required to pay an excise tax on their net investment income. Currently, the excise tax on private foundation investment income is determined by a complicated, two-tier structure.

The current two-tier structure creates a negative incentive for private foundations to increase their giving. If private foundations give at a higher rate one year, such as in a time of emergency or natural disaster, they are then penalized for returning to normal levels of giving in subsequent years.

The signatories of this letter, together representing hundreds of foundations, ask that the simplified 1.39 percent excise tax be included in any appropriate year-end legislation.

- Arizona Grantmakers Forum
- Council on Foundations
- Council of Michigan Foundations
- Forefront (Illinois)
- Grantmakers of Western Pennsylvania
- Iowa Council of Foundations
- Maine Philanthropy Center
- Mid-South Philanthropy Network
- Minnesota Council on Foundations
- NY Funders Alliance
- Philanthropy California, an alliance of Northern California Grantmakers, Southern California Grantmakers, and San Diego Grantmakers
- Philanthropy Colorado
- Philanthropy Network Greater Philadelphia
- Philanthropy New York
- Philanthropy Northwest
- Philanthropy Ohio
- Philanthropy Southwest
- Philanthropy West Virginia
- Southeastern Council of Foundations
- United Philanthropy Forum

Who We Are

United Philanthropy Forum and our nearly 80 members hold a unique position in the social sector to help increase philanthropy's impact in communities across the country. Together, as philanthropy-serving organizations, we represent over 7,000 foundations and other funders. We help philanthropy make our communities better places to work, live and, thrive.

CC: Members of the House Committee on Ways and Means