

Statement for the Record
House Committee on Ways and Means

Hearing to Consider the Deductibility of Charitable Donations

February 14, 2013

Casa Esperanza is New Mexico's house of hope and home away from home for families who much travel to Albuquerque for cancer treatments. We have served more than 31,000 families (28 on any given night), from throughout New Mexico since opening our doors in 1992.

Casa Esperanza's coffers are filled in most part by the generosity of private donors, without whose support we would cease to exist. We have worked tirelessly to survive through the severe economic climate of the past five years and are just beginning to see donations measurably increase. In fact, December 2012 was an excellent month for donations, which leads one to believe that donors do very much pay attention to their timely tax year deductions. While most donors give from their heart, it is well recognized within the nonprofit community that tax benefits also play a major role in a donor's decision to give.

The proposed restrictions to limit or eliminate charitable deductions will likely lead to mass extinctions within America's nonprofit community. Not only will this further burden our city, county, state and federal governments with the responsibilities and vital services best championed by nonprofit organizations, it will create a brand new and very large unemployment population if the millions of nonprofit workers are suddenly without work. And may I remind the Committee that workers at nonprofit organizations pay taxes, too!

Proposed restrictions will create additional unfair measures, such as limiting the tax rate against which contributions can be deducted, setting a dollar cap on total deductions and setting a minimum donation level to even qualify for a deduction. Any one of these measures will have an unimaginable impact on all donors, but especially those \$25 or \$50 donors who are really our “bread & butter.”

I hope that the Committee will consider the far-reaching consequences of any decisions as the members go through their thoughtful deliberations.

Sincerely,

Eileen Cook, CEO
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