

**Statement by
Ford W. Bell, DVM
President of the American Alliance of Museums,
www.aam-us.org
House Committee on Ways and Means
Hearing on Tax Reform and Charitable Contributions
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Chairman Camp, Ranking Member Levin, and members of the Committee, thank you for allowing me to submit this testimony. My name is Ford Bell and I serve as President of the American Alliance of Museums.

The Alliance is proud to work on behalf of the 17,500 museums that employ 400,000 people nationwide and annually spend more than \$2 billion on K-12 educational programming, receive over 90 million visits from primary and secondary school students, and directly spend \$21 billion in our local economies. We are honored to represent the full range of our nation's museums – including aquariums, art museums, botanic gardens, children's museums, culturally specific museums, halls of fame, historic sites, history museums, maritime museums, military museums, natural history museums, planetariums, presidential libraries, science and technology centers, and zoos, among others, most of which are tax-exempt non-profit organizations.

Charitable giving is the lifeblood of museums of all sizes and disciplines; it accounts for more than one-third of their operating funds. Studies indicate that donors give for many reasons—incentives such as tax deductions being among them. While Americans do not make charitable gifts only for tax reasons, tax incentives make more and bigger gifts possible. We oppose proposals that would reduce the incentive for charitable contributions, including subjecting charitable donations to a percentage limit on the value of itemized deductions or to an overall cap on itemized deductions.

We believe the charitable deduction is unique because it incentivizes and amplifies a selfless act by the taxpayer. While there are differing estimates about the effects of limiting the incentive for charitable donations, one thing is clear: giving will decline. The museum community is well-aware of the threat these limits would pose to our communities; after the Alliance alerted our field that these proposals were under consideration, museum advocates used our system to contact their legislators over 1500 times. This is the single largest response to an advocacy communication in our organization's history.

Charitable giving is critical to museums' ability to serve as essential educational providers. They design exhibitions, educational programs, classroom kits, and online resources in coordination with state, local and common core curriculum standards in a wide range of subjects. This educational programming and

experiences in museums foster critical, creative and innovative thinking, addressing national education initiatives such as 21st Century Skills and STEM education.

Museums also rely on charitable donations in order to provide critical services to their communities, including programs for children on the autism spectrum, English as a Second Language classes, and programs for older adults with Alzheimer's or other cognitive impairments. Some museums also facilitate job training programs, provide vegetable gardens for low-income communities, and serve as locations for supervised visits through the family court system.

Finally, charitable donations help museums provide access to as wide a range of the population as possible. In a 2011 survey, 40% of museums were free at all times or had suggested admission fees only, while nearly all the rest offered discounts or free admission days. In 2012, more than 1,800 museums participated in the Blue Star Museums initiative, offering free admission to all active-duty and reserve personnel and their families from Memorial Day through Labor Day.

With economic uncertainty limiting ticket revenues and spending cuts at all levels of government, changes to the charitable tax deduction that reduce donations could devastate many museums' ability to provide these critical services to their communities. I urge the Committee to do all it can to protect the deduction for charitable contributions and thank you once again for the opportunity to submit this testimony.

Supplemental Information

Ford W. Bell, DVM
President
American Alliance of Museums

Contact Information

Gail Ravnitzky Silberglied
Senior Director, Government Relations and Advocacy
American Alliance of Museums
1575 Eye Street NW Suite 400
Washington, DC 20005
P: (202) 218-7705
F: (202) 289-6578
gsilberglied@aam-us.org