

STATEMENT TO UNITED STATES HOUSE OF REPRESENTATIVES

COMMITTEE ON WAYS AND MEANS

Illinois Council of the Blind

Ray Campbell, Treasurer

On behalf of the Illinois Council of the Blind (ICB), I wish to make a statement for the record regarding charitable deductions in the form of vehicle donations. The ICB has, for several years, taken in receipts from donated vehicles. We have used these funds to help us conduct our programs including our Dots for Tots program, scholarship and others. To conduct our programs, we fund an administrative office with one employee who works 20 hours per week.

In our latest fiscal year, we in ICB received only \$210 in proceeds from vehicle donations. This compares to past years when we received as much as \$2,000 to \$4,000. This shows a marked decrease in vehicle donation receipts.

Why has this happened? Prior to 2005, individuals who wished to donate a vehicle to a non-profit organization such as ICB could deduct the full market value of that vehicle on their income tax returns. This encouraged more individuals to donate vehicles to charitable organizations. In 2005, Congress, in an effort to curb possible abuses in the vehicle donation rules under the U.S. Tax Code, changed the rules regarding vehicle donation. Now, individuals wishing to donate a vehicle whose fair market value is over \$500 has to wait until that vehicle is sold before being able to claim a tax deduction.

What this rule change has meant is that not as many individuals are donating vehicles because the sale of the donated vehicle may not take place until long after the donation. People don't want to wait and wait to make a tax deduction. These tax deductions aren't just taken by those who are wealthy. People from all walks of life at times will have vehicles they might wish to donate to non-profit organizations like ICB and further our good work. The Government should not stand in the way of that.

ICB joins with our parent organization, the American Council of the Blind in supporting the changes in vehicle donation rules proposed in the 112th Congress in H.R.860. This legislation, which gained some 300 co-sponsors, would have required those wishing to donate a vehicle to deduct the fair market value

of that vehicle unless the fair market value exceeded \$2,500. For anything above \$2,500, the vehicle would have to be appraised.

Congress needs to re-introduce H.R.860 in the 113th Congress and get it passed and signed into law. Charitable giving is a long valued, American tradition. Non-profit organizations who are doing good work need to have as many ways to raise the dollars we need. We need to strike the right balance between proper accountability, and encouraging charitable giving through vehicle donations. Congress needs to take up this issue and pass legislation to encourage more individuals to donate vehicles. Organizations like ICB, and ultimately, the American people will benefit.