

Testimony Submitted by the National Kidney Foundation  
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New York, New York 10016

Committee on Ways and Means  
Hearing on Tax Reform and Charitable Contributions  
February 2013

The National Kidney Foundation appreciates the opportunity to provide testimony for the written record in support of the Committee's February 14, 2013 hearing to examine itemized deductions for charitable contributions. The National Kidney Foundation (NKF) is the nation's oldest and leading organization representing millions of patients with chronic kidney disease (CKD), and millions more who are at risk. Our membership includes patients and families, kidney transplant recipients, and the donor families and living organ donors that have made those transplants possible. We also educate health care professionals who meet patients' physical and psychosocial needs and we are served by volunteers of the public at large who donate their time and talents to our organization.

Twenty-six million people -- 1 in 9 Americans -- have chronic kidney disease. However, 1 in 3 adults -- 73 million people -- are at-risk due to high blood pressure, diabetes or a family history of kidney disease. Moreover, CKD has a "multiplier effect" with other chronic diseases, including cardiovascular disease and diabetes. NKF's patient services programs include a comprehensive and interactive website, kidney.org featuring content, Q&A blogs and more, as well as the PEERS mentoring program which offers support and prevention strategies from fellow patients to those who are recently diagnosed. Similarly, our NKF Care hotline offers the opportunity for patients to learn about lifestyle choices and treatments from trained professionals. We also conduct free kidney disease screenings for high-risk individuals.

For 15 years, our Kidney Disease Outcomes Quality Initiative (KDOQI) has provided evidence-based clinical practice guidelines for all stages of CKD, shaping the way kidney disease is treated. The guidelines have transformed medical practice, community and public awareness, health policy and patient outcomes. We also publish four peer-reviewed medical journals and as an accredited provider of Continuing Medical Education (CME), we offer an array of educational opportunities for healthcare professionals to learn about the latest advancements in the detection and treatment of kidney disease. One of the premier CME offerings, the annual NKF Spring Clinical Meetings, presents an opportunity for busy healthcare providers to learn new developments related to all aspects of nephrology. Nearly 3,000 participants attend this four-day event where hundreds of new research abstracts are presented.

To provide support for our programs and to launch new initiatives, NKF is diversifying and strengthening our revenue base, including a renewed emphasis on individual giving. In Fiscal Year 12, we raised nearly \$6.8 million from individual giving and memorials.

With strained federal and state government budgets for the foreseeable future, the role of non-profit organizations potentially is more important than ever. As Congress considers tax reform and the potential for revenue enhancements, charities and their donors must not be asked to bear the burden while potentially shouldering an increased role in providing for the people we serve.

Our donors and receipts suffered significantly after Congress limited the itemized deduction for vehicle donation programs in legislation enacted in 2004. Prior to this change, the NKF Kidney Cars program grossed as much as \$17 million annually, compared to a FY 12 figure of only \$7.5 million. Our volume has declined significantly as well the overall value associated with the donated vehicles. While we agreed stronger safeguards were necessary to decrease fraud and abuse, we were concerned the dramatic change under consideration would devastate our revenues. We worked extensively with representatives of other health charities to develop an alternative to the congressional proposal. For example, we suggested providing a detailed receipt to include age, mileage, and condition, as well as suggestions to clarify fair market value.

In the 112<sup>th</sup> Congress, legislation (H.R. 860) to amend the deduction for charitable vehicle donation attracted 330 cosponsors, including 27 Representatives who serve on the Ways and Means Committee in the 113<sup>th</sup> Congress. We are encouraged that these Committee Members understand the devastating impact the tax law change had on vehicle donation programs and we encourage you to address this as you consider reform to the tax code. We hold now as we did in 2004: donors deserve a fair deduction and charities need a program that provides revenue while insuring accountability to the taxpayer and to the vehicle donor.

In closing, the NKF appreciates the need to simplify the federal tax code for individuals, non-profits and corporations. In doing so, we urge you to ensure the vital role we and similar non-profit organizations play in the health of our nation's citizens by maintaining the itemized deduction for charitable contributions. Thank you for your consideration of our comments.