

STATEMENT FOR THE RECORD
GEORGE E. ESPY
PRESIDENT, OHIO GRANTMAKERS FORUM
HOUSE WAYS AND MEANS
SUBCOMMITTEE ON SELECT REVENUE MEASURES

Hearing on Framework for Evaluating Certain Expiring Tax Provisions
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Chairman Tiberi, Ranking Member Neal, and distinguished members of the Subcommittee on Select Revenue Measures, thank you for the opportunity to share with you the perspectives of Ohio's philanthropic community as the subcommittee considers a framework to use for evaluating expiring tax provisions that include the IRA Charitable Rollover.

I am the president of Ohio Grantmakers Forum, a statewide association of private and community foundations and corporate giving programs. Our mission is to provide leadership for organized philanthropy in Ohio and to enhance the ability of members to fulfill their charitable goals. Together, our 206 members hold roughly 63 percent (\$10.9 billion) of the state's charitable assets and annually award about the same percentage of the state's grants (\$735 million).

Ohio has a strong history of philanthropic giving, starting with the creation of the world's first community foundation in Cleveland in 1914. Since that day, Ohio's foundation community has grown to 3,306, including 68 community foundations. Millions of Ohioans are helped – and lives changed – every day by grants given by these foundations:

- High school seniors receive scholarships that enable them to pursue the higher education they will need to be competitive in a 21st century economy;
- Adults who have been unemployed during the recent recession receive job training to help them find new jobs;
- Children without dental insurance get teeth cleaned and repaired by mobile oral health clinics; and
- Ohioans of all ages are enriched by visits to museums, zoos, parks and performing arts organizations.

The foundations are only able to provide these critical dollars due to the generous contributions they receive from individuals: one-quarter of Ohio taxpayers itemize their federal tax returns and take advantage of the charitable deduction currently allowed. The IRA Charitable Rollover, enacted as part of the 2006 Pension Protection Act, allows individuals aged 70 ½ to donate up to \$100,000 to charitable organizations directly from their Individual Retirement Account without treating the distribution as taxable income.

Because of the incentive provided by this legislation, Ohioans have contributed thousands of dollars to the causes they care about, with significant impacts:

- A donor's half million dollar pledge to the capital campaign to build a local technical college campus brought higher education to Coshocton for the first time, resulting in 700 students currently enrolled who otherwise wouldn't have access to a college education in their community. Ability to use the IRA assets freed up \$300,000 in the donor's community foundation fund to support other charitable causes.
- A donor's wish to honor his wife's memory led him to use IRA assets to establish a scholarship fund in her name at his local community foundation. This rural community's college-bound students will have an opportunity for the next 20 years to win a \$5000 scholarship that will help them reach their dreams.
- A donor's passion for her community foundation allowed her to make \$100,000 gifts per year to support the foundation's operating expenses – roughly half of its operating dollars. Without the provision, the donor said "I will no longer be able to make gifts of such significant size" and the foundation's executive director must look for new sources of operating support.
- A businessman's IRA contribution to his local community foundation provided grant dollars that supported alcohol and drug abuse treatment services and medical care for uninsured people in Lorain County.

The IRA Charitable Rollover expired at the end of 2011, depriving Americans of a significant pool of dollars they can use to support community foundations and other public charities. Ohio Grantmakers Forum strongly encourages the Subcommittee to continue to provide incentives for charitable giving by including the IRA Charitable Rollover in U.S. tax policy and code.

George E. Espy
President
Ohio Grantmakers Forum
37 W. Broad Street, Suite 800
Columbus, Ohio 43215
614.224.1344
gespy@ohiograntmakers.org