Webinar Logistics

- *7 to unmute, *6 to mute
- We encourage you to comment/ask questions during the program by using the chat function
- If speaking, please announce yourself & your organization
3:05 PM  The Value of the Philanthropy Sector  
Matt Hennessy, United Philanthropy Forum

3:10 PM  Issue Update: Unrelated Business Income Tax (UBIT)  
Sandra Swirski, Urban Swirski & Associates

3:15 PM  Issue Update: Charitable Giving Tax Incentives  
Sara Barba, Urban Swirski & Associates

3:20 PM  Issue Update: Johnson Amendment & Political Participation  
Serena Jezior, Akin Gump Strauss Hauer & Feld LLP

3:25 PM  Questions on Policy Issue Updates  
Sandra Swirski, Sara Barba, and Serena Jezior

3:35 PM  What’s Trending  
Sandra Swirski, Urban Swirski & Associates

3:55 PM  Reminder about Local Issues  
Maggie Osborn, United Philanthropy Forum
The Value of the Philanthropy Sector

- Important to make educate members of Congress on the value of our work and the impact that the philanthropy sector makes in the communities that they are elected to represent.

- Sample language:
  - The generosity of Americans has a vibrant history. Giving in our country is deeply intertwined in the American story and is always evolving.
  - The philanthropy sector is driven by this spirit of generosity. Philanthropy invests human and financial capital to benefit the people and communities that they serve.
  - Philanthropy creates thriving places that benefit everyone. Philanthropic resources help your constituents every day by creating jobs, spurring innovation, supporting the vulnerable, and empowering people to improve their lives.
Philanthropy as a Partner

- Philanthropy has the unique ability to innovate, incubate, and deliver results – often working in tandem with the public and private sectors to deliver results.

- Philanthropy offers more than just grantmaking. We convene organizations, facilitate partnerships, share knowledge, and pool resources.

- To continue our work most effectively, we ask for your support to ensure America’s philanthropic sector remains robust and responsive to the needs of all citizens.

- We welcome the opportunity to be a resource to you and improve the ways in which we collaborate.
Unrelated Business Income Tax (UBIT)

Sandra Swirski
Partner
Urban Swirski & Associates
Unrelated Business Income Tax (UBIT)

- New Law – UBIT now includes transportation and parking benefits for your employees

- UBIT Coalition
  - Almost 100 (c)(3)s and (c)(6)s
  - Ask:
    - A delay until guidance has been issued
    - Exemption for organizations situated in localities that mandate transportation benefits
    - A clear de minimis threshold
UBIT Legislation

- House’s lame duck tax bill included a repeal of this new UBIT law
  - More than 2500 religious organizations signed a letter to repeal
  - Press referred to new law as the “church tax”

- Reps. Mike Conaway (R-TX), Mark Walker (R-NC) and Jim Clyburn (D-SC) had bills to repeal the tax

- Senators Cruz (R-TX) and Lankford (R-OK) had similar bills
Charitable Giving Tax Incentives

Sara Barba
Assistant Vice President
Urban Swirski & Associates
Charitable Giving Tax Incentives

- Tax bill in 2017 reduced itemizers to 12 percent
  - Possible consequence: less $ going to charities
  - The number of Americans giving to charity has been declining for over a decade
  - Solution: make the incentive available to all Americans

- Universal charitable incentive ideas
  - Above-the-line with a cap – Universal Charitable Giving Act
  - Above-the-line without a cap – Charitable Giving Tax Deduction Act
  - Above-the-line 25 percent credit – recent discussion draft circulated
  - Others that have been offered over the years – credits, deductions, floors, ceilings, etc.

- Concerns

- Outlook for 2019

- Importance of advocacy
Johnson Amendment & Political Participation

Serena Jezior
Policy Advisor
Akin Gump Strauss Hauer & Feld LLP
501(c)(3) charitable organizations are prohibited from participating in, or intervening in (including the publishing and distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

Referred to as the “Johnson Amendment” after then-Senator Lyndon B. Johnson, who introduced it in 1954.
Johnson Amendment

- No imminent threats at this time
  - Democratic majority in the House
  - Consolidated Appropriations Act of 2019 (H.R. 21)
    - 6 of 7 outstanding appropriations bills
    - Includes FSGG (with no anti-Johnson Amendment language)
      - Passed the House as a stand-alone bill on Jan. 9 (H.R. 264)

- May still see efforts in the Senate, but those are unlikely to advance

- House Democrats taking a strong stance in commitment to elections/campaign finance transparency and accountability...
Nonprofit Political Activity

- For the People Act (H.R. 1)
  - Introduced by House Democratic leadership
  - Includes two provisions impacting 501(c) organizations:
    - Requires donor disclosure by PACs and 501(c)(4)s for contributions in excess of $10,000 and eliminates ability of organizations to transfer political dollars to related organizations to avoid disclosure requirements
    - Eliminates existing prohibition on IRS from promulgating rules to clarify what constitutes political activity by 501(c) organizations

- Indirect Implications:
  - Provides an additional layer of “cover” to ensure 501(c)(3) nonpartisanship
  - Creates opportunity for a more bright-line distinction about which activities do not qualify as promoting social welfare—(c)(4)s
    - As long as these rules are not overly-restrictive, it could provide enough of a “safe harbor” to encourage more (c)(3)s to engage in advocacy activities
Questions on the Policy Issue Updates

- Unrelated Business Income Tax (UBIT) on nonprofit fringe benefits
- Charitable giving tax incentives
- Johnson Amendment and non-profit political activities
What’s Trending

Sandra Swirski
Partner
Urban Swirski & Associates

Donor-Advised Funds
Opportunity Zones
What’s Trending

Sandra Swirski
Partner
Urban Swirski & Associates

Questions?
Closing Message

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