Position Statement
2017 Tax Reform Policy Priorities
Adopted October 2017

Introduction
As Congress weighs tax reform, the Southeastern Council of Foundations (SECF) encourages lawmakers to consider the importance of philanthropy, charitable giving and grantmakers’ missions to strengthen nonprofits and tax-exempt institutions that deliver human services, improve our education system, promote workforce development, foster arts and culture, and work in a host of other areas crucial to the vitality of our communities.

Universal Charitable Deduction
Public policy should encourage charitable giving and all taxpayers should receive recognition for their charitable contributions – a belief shared by many in Congress. Rep. Mark Walker has proposed H.R. 3988, which would create a universal charitable deduction accessible to all filers, even those who do not itemize their return.

Rep. Walker’s bill is a good starting point. We are concerned about the caps included in the current bill, which would limit the charitable deduction to about a third of the standard deduction for non-itemizers. Such a limitation threatens to reduce overall giving. However, we look forward to working with lawmakers in the House and Senate to improve this proposal in the hope that such a cap would not become a ceiling that could affect charitable giving.

Private Foundation Excise Tax
SECF has long supported simplification of the private foundation excise tax, freeing up funding for foundations to provide to the communities they seek to improve. We support Rep. Erik Paulsen’s bill, H.R. 2386, to streamline the private foundation excise tax, and hope for its inclusion in tax reform legislation.

Independence of Donor-Advised Funds
We urge Congress to bear in mind the philanthropic sector’s role and value to our communities by encouraging growth in charitable giving and resisting unnecessary regulations that constrain individual donor vehicles, including proposals to require mandatory programmed payouts from donor-advised funds.

IRA Rollover to Donor-Advised Funds
SECF encourages the increase of individual philanthropy through donor-advised funds and therefore supports provisions similar to legislation (H.R. 4907) offered in the last Congress by Rep. George Holding that would allow individuals to rollover funds from individual retirement accounts (IRAs) to their donor-advised funds.
**Conclusion**

These legislative efforts are consistent with SECF’s view favoring tax policies that support individual and institutional grantmakers’ effectiveness. We look forward to working with lawmakers on a tax reform package that reflects these principles and strengthens America’s already robust philanthropic sector.