

Urgent: The Threat to Tax-Exempt Organizations

Executive Summary Overview

As Congress prepares to debate the expiration of the 2017 Tax Cuts and Jobs Act (TCJA) next year, the tax-exempt sector faces a significant threat. Major think tanks have called for taxing 501(c) organizations, and with a \$4.6 trillion tax cliff looming, lawmakers are increasingly scrutinizing the sector as a potential source of revenue.

To combat this threat, ASAE is forming a coalition of tax-exempt organizations to take an aggressive stand against all proposals that would burden 501(c) organizations with increased taxation. ASAE is positioned to invest \$1M in strategic advocacy and communications counsel. We are seeking additional contributions from coalition members to support our advocacy efforts.

The Threat

- **Increased Scrutiny:** Lawmakers are questioning the value of tax-exempt status and considering whether organizations should pay more in taxes.
- **Revenue Proposals:** Think tanks have proposed taxing all non-donation income and eliminating tax-exempt status. This includes membership fees, investment income, trade show income, and fees for service.
- **Lack of Understanding:** Many lawmakers are unfamiliar with the scope and impact of the tax-exempt sector and need additional education on its economic value to the U.S. economy.

The Need for Action

- **Coordinated Effort:** A united front is essential to protect the ASAE's 50,000 association executives and their organizations that represent trade associations, professional societies, and industry partners from harmful legislation that constitute the tax-exempt sector.
- **Education and Advocacy:** We must have an ongoing and strategic campaign to further educate lawmakers about the benefits of the sector and advocate for policies that support its mission.
- **Your Participation:** Join the coalition to help protect the future of tax-exempt organizations.

Proposed Membership Tiers and Benefits

Executive Leadership

Investment: \$25,000

- Participation in weekly or bi-weekly meetings
- Participation in related ASAE- and coalition-led media relations
- Full and regular recognition, with logos when appropriate, in relevant coalition and ASAE materials
- Input on official coalition materials
- Priority access to ASAE- and coalition-scheduled Congressional meetings
- Capped at 10 organizations
- Steering Committee Benefits

Steering Committee

Investment: \$10,000

- Participation in monthly executive leadership + steering committee meetings
- Input on official coalition materials, such as statements and Congressional letters
- Priority invitation to select Congressional meetings scheduled by ASAE or members of the coalition
- General Membership Benefits

General Membership

Investment: \$5,000

- Invitation to select Congressional meetings scheduled by ASAE or members of the coalition
- Participation in bi-monthly meetings and policy updates
- Recognition in coalition materials and on ASAE's website

Join the Coalition

Given the stakes, we respectfully urge you to join this new coalition on behalf of the association community to help protect the tax-exempt sector. For more information, please contact Mary Kate Cunningham, CAE, SVP of Public Policy, at mcunningham@asaecenter.org