



**STATEMENT AND QUESTIONS FOR THE RECORD
INDEPENDENT SECTOR**

**SENATE COMMITTEE ON FINANCE
“HEARING TO CONSIDER THE ANTICIPATED NOMINATION OF STEVEN TURNER MNUCHIN TO
BE SECRETARY OF THE TREASURY”
JANUARY 19, 2017**

Chairman Hatch, Ranking Member Wyden, and distinguished members of the Committee, we appreciate the opportunity to submit the following statement and questions for the record as the Committee considers the anticipated nomination of Steven Mnuchin for Secretary of the Treasury.

Independent Sector (IS) is America's unparalleled force for advancing the common good. IS is the voice of the third largest sector in the economy and represents more than 600 public charities, foundations, and corporations. The combined power of these organizations working on their own, in coordination with each other, and in partnership with government and business, touches every aspect of the human endeavor.

Our members believe in the power of engaged individuals, robust institutions, and vibrant communities working together to improve lives, better the natural world, and strengthen democratic societies. The work of these charitable organizations spans the country, impacting every community and bringing deep expertise to many of the most challenging problems facing our society today.

The Charitable Sector

The charitable sector, made up of a diverse set of organizations and individuals, is a powerfully positive force in American life - one rooted in pluralism and strengthened by its diversity. Every day, charitable nonprofit organizations provide educational and economic opportunities for families in need; work to alleviate poverty and suffering at home and abroad; assist victims of disaster; enhance the culture and faith of individuals and communities; facilitate scientific advances; protect the environment and improve the natural world; and foster worldwide appreciation for the democratic values of justice and individual liberty that are vital to the American character.

Nearly 1 in 10 workers in the United States is employed by a nonprofit organization, and with 11.4 million paid workers, the sector employs more people than the finance and real estate sectors combined. Furthermore, these organizations pay nearly \$532 billion annually in wages, salaries that support families in communities across America. In addition, 62.8 million Americans contributed more than 7.9 billion hours of volunteer service through formal charitable organizations in 2015, the equivalent of 4 million full-time jobs valued at approximately \$184 billion.

The charitable sector's broad community impact and public support is evidenced by the sheer number of people who volunteer with these organizations and the breadth of its funding sources. The long tradition of giving to and volunteering for a diverse set of charitable causes and institutions is also a fundamental ingredient in the American promise.

Ensuring Support for Charitable Organizations and Charitable Giving

The Internal Revenue Service (IRS), an agency directed by the Department of the Treasury, plays a critical oversight role of all Section 501(c) organizations, including 501(c)(3) public charities, through its Exempt Organizations Division. IRS policies and regulations broadly define the activities and scope of charitable organizations from qualifications for exempt status to how individuals are incentivized to support organizations in their communities through charitable giving.

Mr. Mnuchin, if confirmed, will include among his responsibilities as Secretary setting the stage for the development of regulations and policy priorities for the IRS. We strongly urge him to support a regulatory agenda that maintains and strengthens the ability of nonprofit and charitable organizations to continue to ably and effectively serve their communities and that provides opportunities for individuals to robustly support the work and missions of these institutions.

We respectfully submit the following questions to the nominee, also provided for consideration to individual Committee member offices, to the official record of the confirmation hearing. We encourage Mr. Mnuchin to give these questions thoughtful consideration as he prepares for his anticipated appointment as Secretary of the Treasury and welcome any opportunity to engage in dialogue with him moving forward.

1. Since 1917, the tax code has provided a unique and powerful incentive to encourage individual taxpayers to increase their prospective charitable giving in support of their communities and causes of personal significance. Do you support the continuation of incentives in the tax code, such as the charitable deduction, that spur more charitable giving?
2. In 2016, Independent Sector commissioned research to better understand the American people's perspective of the charitable sector. Among the findings include 79 percent of respondents expressing support for the charitable deduction to be available to all taxpayers, instead of only those who itemize, as under current law. Do you support the expansion of the charitable deduction and other giving incentives to encourage even more Americans to give in direct support of their communities?
3. Will you commit to working with the charitable sector to ensure that regulatory efforts to modify the tax code will not have the practical effect of making it more difficult for 501(c)(3) organizations to fulfill their missions and serve their communities?
4. As part of the Treasury Department's broad oversight function of the IRS, will you commit to engaging and soliciting comment from the charitable community in any efforts that may substantially reform or change how tax-exempt organizations report to or interact with the agency and the current Exempt Organizations Division?

We thank you again for this opportunity to offer a statement and questions for the record. Please do not hesitate to contact Jamie Tucker at jamiet@independentsector.org or 202-467-6166 with any questions. Independent Sector is committed to serving as a resource for the Committee and Mr. Mnuchin as the confirmation process moves forward, as well as in his role as Secretary of the Treasury if formally confirmed and appointed.

Respectfully,

Independent Sector