



Lifting complex sales tax requirements from nonprofits allows these vital organizations to do what they do best — serve you and your constituents. Kentucky Nonprofit Network, the state association of nonprofits, requests that you please support two essential solutions needed by Kentucky's nonprofit organizations:

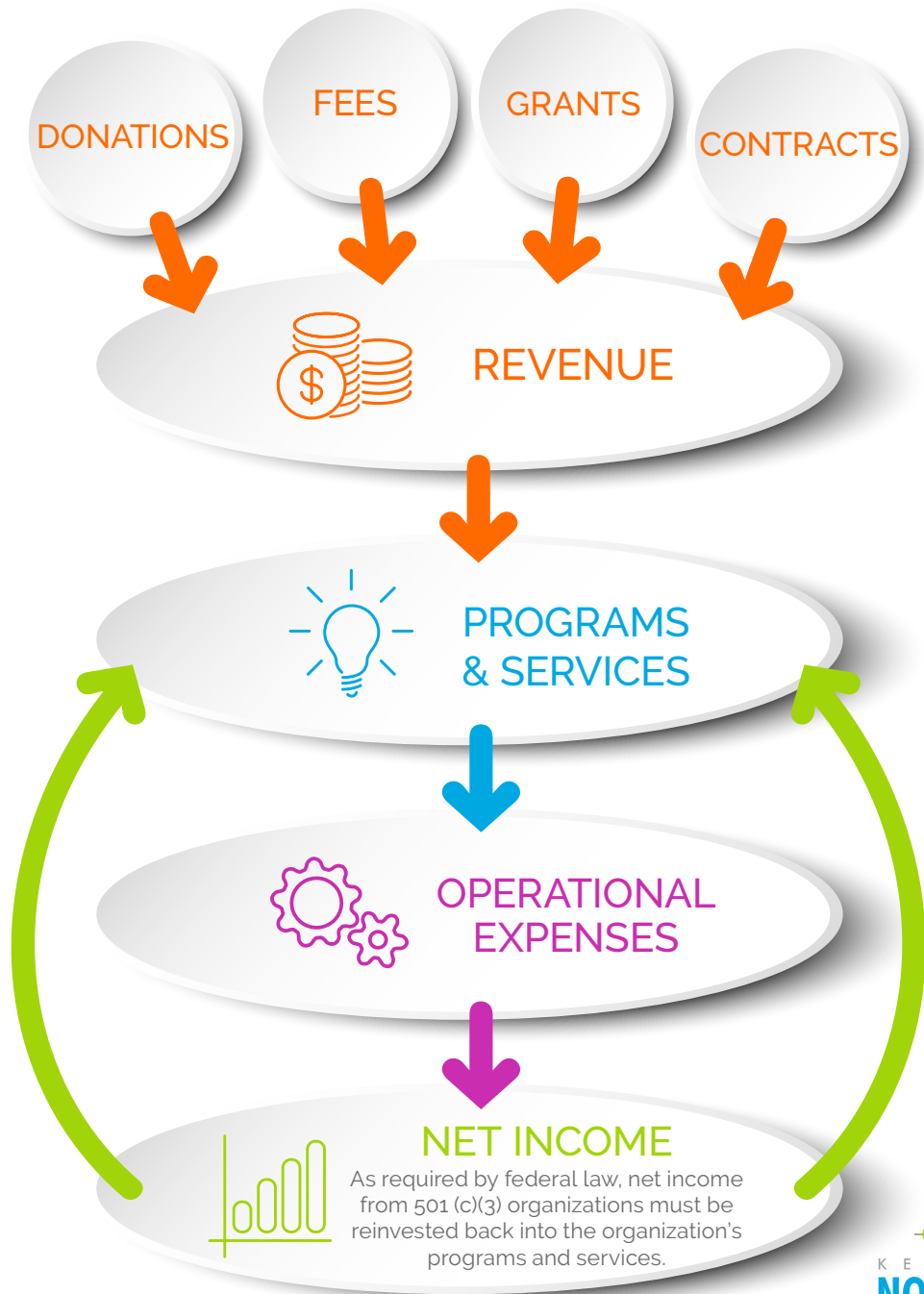
1. a statutory exemption for nonprofits from collecting and remitting sales tax on admissions.
2. a statutory exemption for nonprofits on any other related fundraising activities, including items sold or auctioned for fundraising purposes.

Facts to consider as you seek a solution to the unintended consequence of requiring the collection and remittance of sales tax on nonprofit admissions and fundraising activities:

- The sales tax issue is putting Kentucky's nonprofit organizations at risk, which means your constituents and the communities in your district are at risk.
- Nonprofits exist to serve your constituents – and serve them well. They are vital partners with the Commonwealth to deliver programs and services the state is obligated to provide. Without nonprofit partners, the burden of delivering services directly to citizens would fall to government. In fact, numerous nonprofits prevent many Kentuckians from relying on government services.
- 75% of Kentucky nonprofits organizations have annual operating budgets of less than \$500,000 — they are small organizations often meeting needs on a shoestring budget.
- Nonprofits employ 1 in 11 Kentuckians. Some nonprofits are among the largest employers in the community – an economic driver employing your constituents. All nonprofits, regardless of size or mission, play an essential role in creating the kind of quality of life that makes businesses want to operate in Kentucky.
- Nonprofits are required by federal law to reinvest any excess revenue they generate each year back into program and service delivery. Unlike a for-profit corporation or business, nonprofits do not distribute earnings among staff, owners or shareholders. Because communities "own" nonprofits, any net income is required to be reinvested in the community – the mission of the organization. In fact, it's this net income that is often the vital seed money used to launch innovative programs addressing opioid addiction, homelessness, treatment for children with disabilities and more.

On behalf of our over 700 members and the thousands of nonprofits working to solve community problems and meet unmet needs, we urge you to make decisions that will demonstrate that the General Assembly supports and values the vital work of Kentucky's nonprofit community.

# NONPROFIT



# FOR-PROFIT

