



March 16, 2020

The Honorable Mitch McConnell
317 Russell Senate Office Building
United States Senate
Washington, DC 20510

Dear Senator McConnell:

It's no understatement to write that the Coronavirus pandemic is affecting all of our lives in many unexpected ways. As I'm sure you are aware, charitable nonprofits in Kentucky and throughout the country are both stepping up to provide support to people whose lives are being disrupted by COVID-19, and dealing with their own challenges as employers, contributors to the economy, and more. I'm writing now to ask that you support every effort to include charitable nonprofits in any COVID-19 relief and stimulus bill voted on in the Senate.

I trust you have received a copy of the letter, [Why Nonprofits Must Be Included in a COVID-19 Relief and Economic Stimulus Package](#), sent up to the Hill on Wednesday and updated on Thursday. I'm also attaching a copy. The letter explains the impact of nonprofits in our communities – as employers, as small businesses, and as problem solvers – and identifies five policy solutions that we believe are appropriate in legislation seeking to help people respond to the pandemic and to revitalize the economy. Recognizing that time is short, I'd like to highlight two of the recommendations here.

Nonprofits Are Significant Employers

Nonprofits employ 12.3 million people (the third largest workforce – tied with manufacturing), with payrolls exceeding those of most other U.S. industries, including construction, transportation, and finance. A substantial portion of the nearly \$2 trillion nonprofits spend annually is the more than \$826 billion they spend on salaries, benefits, and payroll taxes every year. Yet, in multiple disaster relief laws in the past, Congress has ignored this core economic fact and approved

employment-related tax credits that left nonprofit employers and employees out of the provisions.

⇒ **Policy Solution:** Any employment-focused relief or stimulus legislation must expressly apply to employment at tax-exempt organizations by making tax credits and deductions applicable not just to income taxes, but to the taxes nonprofit pay, such as unrelated business income taxes and payroll taxes.

And

Nonprofits Are in Every Community Ready to Serve

Everywhere in America, charitable nonprofits are already in place serving the needs of residents. Every dollar granted, donated, or earned goes back into the community immediately to address clear and present problems. Nonprofits are our economy's shock absorber when crisis hits. Dollars devoted to nonprofits – whether through new appropriations or expanded charitable giving incentives – will be spent immediately on solutions and recirculated in local communities.

⇒ **Policy Solution:** Congress should ensure communities are able to support their local nonprofits during this crisis by enacting a targeted, temporary giving incentive that enables all residents, regardless of whether they claim itemize deductions, to receive a tax incentive for giving to the work of charitable nonprofits responding to, or suffering from, the coronavirus.

Both of these recommendations were initially proposed in the [Letter to Senate Finance Committee Taskforce on Disaster Tax Relief](#), signed by my organization and all of our nonprofit state association colleagues across the country.

Thank you for staying in Washington in the coming days to ensure passage of sound legislation that works for the American people.

Respectfully,



Danielle Clore
CEO