

February 20, 2019

Honorable James Runestad  
Chair, Senate Finance Committee  
Michigan State Senate  
Lansing, MI 48909-7536

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Chairman Runestad and Members of the Committee:

Thank you for the opportunity to express support for Senate Bill 55 (SB 55). The Council of Michigan Foundations and its members, including community foundations, seek ways to encourage giving and SB 55 provides important incentives to those seeking to support our nonprofit community.

As the Michigan Community Foundations infographic provided to each of you confirms, Michigan is fortunate to have a robust network of community foundations serving all 83 counties.

This network was developed over a twenty-year period from 1991 to 2011 in a unique partnership between the State of Michigan, private foundations and local communities – with bipartisan support.

This partnership created the first in the nation charitable tax credit for endowment funds held by community foundations. As a result, hundreds of nonprofit agencies across the state providing needed and valued services were able to develop and strengthen permanent agency endowment funds – a significant contribution to their financial stability.

Research conducted by the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University in 2012 and 2013 (after the charitable credit ended in 2011), confirms that tax policies do not determine if a Michigander gives, but tax policies do impact how much Michiganders give. As the study showed, giving among the population it targeted went down about 50% when the credit was ended.

While by some measures there is a direct cost to the State Treasury in restoring this charitable tax credit, research confirms that for every \$1 the State Treasury "loses," state and local government gains \$2.50 in services to local communities.

Charitable giving is part of our DNA as Michiganders. For 20 years we all participated in the habit of giving each year in partnership with our state. With national numbers indicating that giving is down, we strongly encourage restoring this important tool to advancing Michigan philanthropy. All Michiganders will benefit as a result!

Please let us know if we can be helpful and thank you for supporting SB 55.

Respectfully,



Kyle Caldwell  
President & CEO