



**TO:** Members of Senate Finance Committee

**FROM:** Joan M. Gustafson, External Affairs Officer, Michigan Nonprofit Association

**DATE:** February 20, 2019

**SUBJECT:** Testimony in Support of SB 55

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Michigan Nonprofit Association strongly supports restoring the charitable giving tax credits that were repealed in 2011.

As nonprofit organizations struggle to raise the necessary funds to meet the ever-growing demand for services, policymakers should support policies that incentivize individuals to give to charities.

**Reinstating the charitable tax credits is critical to the state's economy.**

It is important to understand the contribution the nonprofit sector makes to statewide employment and to highlight its significant contribution to our overall economy.

Michigan's nonprofit sector is geographically diverse, with organizations in every county of the state. Michigan nonprofits:

- Number more than 47,000.
- Employed directly more than 451,000 people in 2015 or almost 11 percent of the Michigan workforce.
- Pay their employees more than \$4.9 billion per quarter.
- Hold assets of nearly \$240 billion.
- Spend more than \$80 billion each year, making a significant direct contribution to Michigan's economy.

**The charitable tax credits are cost-effective.**

- Nonprofits rely on individual donations for their largest source of funding.
- The credits benefit communities as well as individual taxpayers.
- Public-private partnerships are the most cost-effective way to address the problems facing our communities.
- Leveraging private spending is highly cost-effective and decreases the burden on federal, state, and local governments.

**Restoring the charitable tax credits is critical to public health.**

- Nonprofits are key partners in the social safety net to protect our most vulnerable citizens.
- There continues to be an overall rise in demand for services.