



WASHINGTON NONPROFITS

We make sure nonprofits have what they need to succeed.

February 13, 2018

The Honorable
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The Honorable
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The Honorable
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Dear Chairwoman Tarleton, Ranking Member Orcutt, and House Finance Committee Members,

I am writing to you regarding HB 1808, Making the nonprofit and library fundraising exemption permanent. Washington Nonprofits supports this proposal and urges the committee to support the bill.

The soon-to-expire nonprofit and fundraising exemption provides a use tax exemption for nonprofit and library supporters who either purchase or win items from nonprofit fundraising events. As the Joint Legislative Audit and Review Commission (JLARC) noted¹, this proposal has achieved its stated policy goal of "Provid[ing] use tax relief to individuals who purchase or win items at qualifying fundraising events." JLARC's accompanying Citizen Commission also outlined multiple reasons for keeping the exemption, citing the benefits to both donors and nonprofits.

¹ Joint Legislative Audit and Review Commission. "2018 Reviews." December 2018.
<http://leg.wa.gov/jlarc/taxReports/2018/defaultF.html>



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Further, JLARC and the Commission both recommend that policymakers consider making the exemption permanent. We agree with JLARC and the Citizens Commission, and wholeheartedly urge making this exemption permanent for the reasons specified in their report.

One additional reason we suggest for making the exemption permanent is that the 2017 Tax Cuts and Jobs Act (TCJA) is projected to negatively impact future charitable giving. TCJA significantly reduced the pool of nonprofit donors eligible to receive a federal tax deduction for charitable contributions through its doubling of the standard deduction. While limited data is available regarding the TCJA's impact on individual giving in 2018, we do know that now is the time for states to take steps to support nonprofit fundraising. Making this exemption permanent would be a significant step in the right direction.

Please feel free to contact me at 408-505-6606 or david@washingtannonprofits.org to discuss HB 1808.

Thank you for your consideration,

David Streeter
Director of Public Policy and Advocacy
Washington Nonprofits