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February 26, 2013

The Honorable Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Camp and Ranking Member Levin:

The American Lung Association appreciates the opportunity to submit testimony to the Committee on Ways and Means in response to its February 14 hearing on tax reform and charitable deductions. The American Lung Association was founded in 1904 to fight tuberculosis and today, our mission is to save lives by improving lung health and preventing lung disease. The Lung Association accomplishes this through research, advocacy and education. Within our broad mission, the American Lung Association funds research to improve treatments and find cures for the more than 35 million Americans with chronic lung diseases; gives children the tools they need to manage their asthma so that they can stay healthy in school and be ready to learn; fights for healthy air and works to keep our nation's youth from becoming addicted to tobacco.

Today's nonprofit sector is under tremendous pressure to provide greater services to the public at the same time it has become more challenging to ensure adequate revenue exists to support the growing demand. Changes that have occurred over the last ten years, including the reconfiguration of the vehicle donation tax code in 2004, the severe economic downturn and increasing postal costs, have made raising revenue to support our mission work more challenging. This already difficult fundraising climate for nonprofit organizations and the increased demand on our services will only heighten in the coming months, as looming across-the-board cuts to the federal budget occur as a part of sequestration.

Changes to the itemized deduction in Section 170 of the Internal Revenue Code would have an additional chilling effect on the ability of nonprofit organizations to provide services to our nation. Our donors strongly support our lifesaving mission and the charitable deduction is a powerful incentive to ensure our mission services are available to all who need them. Since 1917, Congress has recognized the importance of the charitable deduction in supporting and sustaining our nation's nonprofits. Charities play a critical role in reducing the federal government's responsibilities to our nation's most vulnerable but we need the support of donors in order to make this work possible.

The American Lung Association is urging the Congress and the President to take a thoughtful and balanced approach to resolving the federal government's budget that protects non-defense discretionary programs (NDD) from any further cuts, especially those programs that are vital in the fight against lung disease – including research, education and prevention programs. Investment in these vital programs saves lives, reduces health costs and strengthens our nation. Sequestration will have an untold impact and place even greater burdens on the nonprofit sector as a whole – and lessening the financial incentive that some individuals may have to donate would simply further exacerbate this problem when the American Lung Association – and many other nonprofits – will be called upon to provide even greater mission services because of reductions in services from federal, state and local governments.

Historically, the federal government and the nonprofit sector have had an important symbiotic relationship in strengthening our communities and the economy. But in order for the nonprofit sector to maintain its robust contributions to our nation, Congress cannot continue to impose greater burdens on nonprofit organizations' abilities to support our work.

Sincerely,

A handwritten signature in black ink that reads "Harold Wimmer". The signature is written in a cursive style and is positioned above the printed name.

Harold Wimmer
President and CEO