


March 4, 1992

MEMORANDUM

TO: SENATOR DOLE
FROM: NINA OVIEDO 
SUBJECT: CHARITABLE CONTRIBUTIONS

You are scheduled to speak to the Washington Non-Profit Tax Conference on Thursday, March 5, 1992. They may ask you questions about the Administration's proposals which revise the rules for charitable contributions.

President's Budget Proposals

The President included 3 revisions of the charitable deduction rules in his budget proposal.

1. Alternative Minimum Tax -- the President's proposal would make permanent the exclusion from the AMT of gifts of appreciated property. This is the Danforth extender.
2. Source Rule -- Under current law, a taxpayer's charitable deductions are allocated between U.S. and foreign income. Many times the allocation to foreign income may reduce the foreign tax credit. The Administration's proposal would allocate all charitable deductions to U.S. income. This issue is strongly favored by the Red Cross.
3. Reporting Requirements -- To pay for the two changes discussed above, the President has proposed that organizations would be required to report contributions over \$500. This requires organizations to keep track of each and every contribution. The Red Cross has concerns over this issue -- administrative (paperwork) headaches.

COMMENTS

The organizations, particularly churches, are quite concerned over the administrative headaches of the proposed reporting requirements. (Churches in particular don't care to report anything to the government.) The Red Cross and others have proposed alternative reporting requirements which Treasury is currently reviewing.

Only the AMT change is included in the current tax packages (both House and Senate).

SPEAK

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Thursday - March 5
luncheon speech
J.W. Marriott Hotel
Wash., D.C.
12:30 - lunch starts

OF COUNSEL
CHARLES E. CHAMBERLAIN

1:00 - SPEAK
(can speak
earlier or
later)

approx 500

\$2,000-

July 26, 1991

Honorable Robert J. Dole
United States Senator
141 Senate Hart Office Building
Washington, D. C. 20510

Dear Senator:

You have been very kind in speaking in the past to the Washington Non-Profit Tax Conference. We certainly hope you can do this again in 1992 since your contribution is very substantial.

The 1992 Conference is scheduled here in Washington at the J. W. Marriott Hotel on March 5 & 6. We would like to have you speak at lunch on Thursday, March 5.

As you will recall, there are generally about 500 people in attendance from the non-profit community representing all segments thereof. In 1992 we anticipate there will be a slight increase in attendance.

We, of course, will continue the \$2,000 honorarium which can be paid in any way you would like to have it but I assume that under the new rules this should be paid to a charity of your choice and we will do whatever is appropriate in this regard.

I certainly hope you can participate again in 1992.

Sincerely,

George D. Webster
George D. Webster
Conference Director

contact: Jane

GDW:jh

7-31-91 Interim ltr.

SENATOR BOB DOLE

NON-PROFIT TAX CONFERENCE

MARCH 5, 1992

***THANK YOU. IT'S A REAL
PLEASURE TO BE HERE, AS I
FEEL A REAL KINSHIP WITH NON-
PROFIT ORGANIZATIONS FOR
THREE REASONS.**

***FIRST, I WORK FOR UNCLE
SAM--AN ORGANIZATION
WHICH HAS BROUGHT NEW**

MEANING TO THE TERM "NON- PROFIT."

***SECOND, AS YOU KNOW, I
HAPPEN TO BE MARRIED TO
SOMEONE WHO GAVE UP ALL
THOSE GOVERNMENT BENEFITS
TO GO TO WORK FOR A NON-
PROFIT ORGANIZATION.**

***AND THIRD, SEVERAL YEARS
AGO, I DID SOMETHING I HAD**

**LONG INTENDED TO DO--START
THE DOLE FOUNDATION, A NPO
WITH THE GOAL OF SEEING
THAT AMERICANS WITH
DISABILITIES RECEIVE THE JOB
TRAINING THEY NEED TO LEAD
PRODUCTIVE LIVES.**

***THE FACT IS THAT NPO'S
PLAY A VITAL ROLE IN OUR
SOCIETY.**

***GIVEN OUR BUDGET
SITUATION, THERE ARE CERTAIN
THINGS WHICH THE
GOVERNMENT CAN NOT AND
SHOULD NOT BE EXPECTED TO
PROVIDE.**

***AND THAT'S WHERE NPO'S
COME IN. BY CALLING ON THE
GENEROSITY OF THE AMERICAN
PEOPLE, NPO'S HELP ENSURE**

**THE SURVIVAL OF EDUCATIONAL
INSTITUTIONS, CHURCHES AND
SYNAGOGUES, AND HEATH AND
HUMAN SERVICES PROVIDERS.**

***IN FACT, PHILANTHROPIC
ORGANIZATIONS AND CAUSES
RECEIVED A RECORD TOTAL OF
AN ESTIMATED \$122.5 BILLION IN
1990, A NUMBER WHICH**

**REPRESENTS AN ALL-TIME HIGH
OF 2.24% OF OUR GNP.**

***AND, AS YOU KNOW,
GOVERNMENT HAS LOOKED AT
THESE NUMBERS AND
WONDERED HOW THEY CAN GET
THEIR HANDS ON SOME OF IT.**

***EACH YEAR THERE'S ALWAYS
A PROPOSAL OR TWO FLOATING
AROUND CAPITOL HILL TO FIND**

**WAYS OF TAXING NPO'S. SO
FAR--AND I THINK FOR THE
FORESEEABLE FUTURE, THESE
PROPOSALS WILL QUICKLY BE
SET ASIDE.**

***A FAR MORE SERIOUS
CONCERN MIGHT BE THE
INCREASING EXAMPLES OF
MONEY-SHORT STATE AND
LOCAL GOVERNMENTS, IN**

**EFFECT, MERGING WITH THE
NON-PROFIT SECTOR TO
PROVIDE SERVICES PREVIOUSLY
THOUGHT OF AS THE
GOVERNMENT'S
RESPONSIBILITY.**

***FOR EXAMPLE, PUBLIC
SCHOOLS DISTRICTS ARE
JOINING WITH BUSINESSES TO
FORM NON-FOR-PROFIT**

**FOUNDATIONS. EVEN CITIES
ARE ENCOURAGING PRIVATE
CONTRIBUTIONS TO PAY FOR
SUCH THINGS AS PARK
BENCHES, AND, IN ONE CASE,
TO PROVIDE FUNDS TO
CONTINUE THE MOUNTED
HORSE UNIT FOR A POLICE
DEPARTMENT.**

***STATE GOVERNMENTS ARE
ALSO BECOMING MORE
INCREASINGLY INVOLVED IN
REGULATING NPO'S. STATES
ARE EXPANDING REGISTRATION
REGULATIONS FOR
PROFESSIONAL FUND-RAISERS,
AND, IN SOME CASES,
CONSULTING ORGANIZATIONS
WHO DO NOT EVEN HANDLE**

**MONEY, NOW HAVE TO POST
LARGE BONDS.**

***I THINK THE BEST WAY TO
KEEP THIS INCREASED
GOVERNMENT INTEREST IN
NPO'S FROM BECOMING
OBTRUSIVE, IS TO "KEEP YOUR
POWDER DRY."**

***THE FACT IS THAT PEOPLE--
INCLUDING CONGRESSMEN--**

**LOOK AT INSTANCES LIKE
STANFORD UNIVERSITY....AND
THE UNITED WAY...AND WANT TO
PAINT ALL NPO'S WITH THE
SAME BRUSH.**

***IN YOUR ROLE AS ADVISORS
TO NPO'S, I WOULD SIMPLY
SUGGEST THAT YOU INSIST
THAT YOUR ORGANIZATIONS**

**MAINTAIN THE HIGHEST DEGREE
OF ETHICS.**

***LET ME GIVE YOU A QUICK
UPDATE OF THE ECONOMIC
GROWTH DEBATE TAKING PLACE
ON CAPITOL HILL.**

***UPDATE**

***BEFORE I GO, I WANT TO
SHARE A STORY THAT SOME OF
YOU MIGHT HAVE HEARD**

**BEFORE. IT'S ABOUT THE
FELLOW WHO BECAME THE NEW
CHAIRPERSON OF THE TOWN
COMMUNITY CHEST IN A SMALL
KANSAS TOWN. AS HE WAS
GOING THROUGH THE CHARITY'S
RECORDS, HE DISCOVERED
THAT THE RICHEST MAN IN
TOWN HAD NEVER BEEN A
CONTRIBUTOR.**

**THE FELLOW ARRANGED A
MEETING WITH THE MAN,
INTRODUCED HIMSELF, AND
POINTED OUT THE FACT THAT
THE RECORDS REFLECTED HE
HAD NEVER GIVEN TO THE
CHARITY.**

**"DO YOUR RECORDS REFLECT
THAT I HAVE A BROTHER WHO
WAS SEVERELY INJURED IN A**

**FARM ACCIDENT, AND CAN NOT
SUPPORT HIS WIFE AND SEVEN
CHILDREN?" SAID THE MAN. "DO
THEY REFLECT THAT MY 90 YEAR
OLD MOTHER AND FATHER DID
NOT SAVE FOR THEIR
RETIREMENT AND NOW HAVE NO
MEANS OF SUPPORT?"**

**THE EMBARRASSED
CHAIRMAN SAID, "I'M SORRY,**

**OUR RECORDS DO NOT REFLECT
THAT."**

**"WELL," SAID THE MAN, "I
DON'T GIVE THEM ANYTHING, SO
WHY SHOULD I GIVE ANYTHING
TO YOU?"**

**HERE'S HOPING THAT NONE
OF YOUR ORGANIZATIONS RUN
INTO ANYBODY LIKE THAT.**

THANK YOU.