

## 2017 Final Tax Bill Dashboard

Issue	Final Bill	Impact on Charities
<b>Johnson Amendment</b>	<b>Not included</b>	 <p>Refrains from weakening the law protecting charities from partisan politics, which threatened the charitable deduction, donor privacy, and the public's trust in the sector. Anticipate renewed efforts to repeal or weaken the law in 2018.</p>
<b>Charitable giving</b>	<b>Estate tax remains in tax code</b>  <b>Universal deduction not included</b>	  <p>Retains the estate tax, which incentivizes charitable giving, leaves the door open to restore the law to previous thresholds that will drive more charitable donations. In the short-term, charities will see a decline in charitable bequests, because the threshold for the estate tax is raised, which means a very small number of households will be subject to the tax.</p> <p>Fails to include a universal deduction, which could have mitigated the negative impact of the bill that reduces number of itemizers able to claim the charitable deduction, resulting in potentially a \$12-\$20 billion decline in charitable giving each year.</p>
<b>Limit on executive compensation</b>	<b>Included</b>	 <p>Imposes a 21 percent excise tax for compensation (cash and benefits, except retirement and health) of nonprofit employees in excess of \$1 million, including parachute payments.</p>
<b>Unrelated Business Income Tax (UBIT)</b>	<b>Excludes most proposed UBIT provisions</b>  <b>One UBIT provision included</b>	  <p>Refrains from including a series of provisions to expand the unrelated business income tax (i.e. taxes on sponsorships, royalties, research, etc.).</p> <p>Increases taxes on charities by requiring unrelated business income activities to be calculated separately rather than allowing losses from one activity to offset taxable gains in another activity.</p>
<b>Volunteer mileage rate</b>	<b>Not included</b>	 <p>Fails to adjust volunteer mileage deductions to inflation rather than the current fixed rate.</p>

<b>Private activity bonds</b>	<b>Not included</b>	 Retains 501(c)(3) private activity bonds used to finance nonprofit capital projects, such as the creation of an affordable housing development, health clinic, etc.
<b>Private foundation excise tax</b>	<b>Not included</b>	 Fails to streamline the private foundation excise tax to a fixed rate of 1.4% rather than a variable rate.
<b>Private college/university endowments</b>	<b>Included</b>	 Requires private colleges and universities meeting certain criteria to pay 1.4% excise tax on net investment income.
<b>Excess business holdings</b>	<b>Not included</b>	 Allows for-profit businesses or subsidiaries that distribute all profits to charity to be owned by a foundation that meets certain criteria.
<b>Healthcare</b>	<b>Medical expenses included</b> <b>Individual mandate repeal included</b>	 Lowers the threshold to claim the medical expense deduction, which supports vulnerable populations.  Repeals the individual mandate to purchase health insurance, resulting in 13 million people losing their healthcare coverage – impacting both nonprofit employees and the individuals they serve.
<b>Low-income housing</b>	<b>Not included</b>	 Retains current low-income housing credit. Proposed changes would have increased support for low-income housing to veterans programs and certain rural areas, while artists/writers and residents in high-cost areas will see a decline in resources for low-income housing.
<b>Student Loans</b>	<b>Not included</b>	 Retains opportunities for students to deduct student debt and/or claim higher education tax credits. Proposed changes would have reduced charities ability to recruit talent.
<b>Overall impact on individual taxpayers</b>	<b>Included</b>	 Both the Joint Committee on Taxation and the Congressional Budget Office indicate that more than half of low- and middle-income households will see their taxes rise within 10 years.