

COUNCIL *on* FOUNDATIONS

Philanthropy's Vision and Voice on Capitol Hill

On Saturday, September 27, the House of Representatives passed the [Charity Enhancement Act of 2008](#) (H.R.7083). Introduced by Representative John Lewis (D-GA), chair of the House Ways and Means Subcommittee on Oversight, H.R. 7083 amends the Internal Revenue Code of 1986. Of particular importance to foundations, the bill also clarifies some charitable reform provisions in the Pension Protection Act of 2006.

The Council supports H.R. 7083 and submitted a [letter of support](#) to Representative Lewis' office and members of the House Ways and Means Committee. H.R. 7083 includes the following provisions:

- funds advised by certain public charities and governmental entities that are not treated as donor advised funds certain scholarship distributions from donor advised funds that are not treated as taxable distributions
- reasonable compensation that supporting organizations pay to substantial contributors that are not treated as an excess benefit
- contributions by American Indian tribal governments treated the same as contributions by states
- electronic filing of exempt organizations' annual reports

Please read a complete [legislative summary](#) of H.R. 7083, which includes a detailed explanation of the provisions supported by the Council.

To gain additional support for the bill, the Council's Government Relations Department issued a call to action to members of the [Policy Action Center](#) on Friday, September 26th in the afternoon. The call to action encouraged foundation staff to submit letters of support to their representative's Washington, DC office before the House voted on the measure. We sincerely thank all foundation leaders who submitted letters to their representatives.

Senate Reaction

Senator Charles Grassley (R-IA), ranking member of the Senate Finance Committee, issued a [statement](#) objecting to the Charity Enhancement Act. He said, "The bill would unwind regulations implementing the 2006 reforms in the Pension Protection Act before the regulations are even finished" and that "it contains several provisions that need much more study before being enacted." Grassley said that he would oppose H.R. 7083 if it goes to the Senate and also urged House members to oppose the bill. However, Grassley did indicate that revisions to charitable sector reforms are warranted, stating that "there may be legitimate reasons to look at some of these issues."

Because Congress will have to consider many issues before adjourning for the general elections in November, it is unlikely that the Senate will consider H.R. 7083 this year. However, the passage of the Charity Enhancement Act in the House is a clear indication that Chairman Lewis and his House colleagues will take up this issue again next year in the 111th Congress.

Questions and Comments

The Council's Public Policy team will continue to work with Congress on any future legislative reforms to the charitable sector and will update our membership with any developments. If you have any questions, please contact Luis Maldonado or Chatrane Birbal in the Council's Public Policy and Research Department. You can reach Luis at Luis.Maldonado@cof.org or 703-879-0688 and Chatrane at Chatrane.Birbal@cof.org or 703-879-0689.