



# Funders Together

## TO END HOMELESSNESS



### Policy Alert

#### Advocacy Alert: Tell Congress to Reject Harmful Tax Provisions Impacting Philanthropy and Nonprofits

As you likely heard, yesterday the US House Republicans [introduced a sweeping tax package](#) with provisions that would critically harm both philanthropy and nonprofits working to advance housing justice and intersecting justice movements. This legislation is expected to move extremely fast—with committee mark ups happening today and a potential floor vote as soon as next week.

#### What's At Stake

- **Increased Foundation Investment Tax**

The bill introduces an increased tiered tax structure on foundation investment income—rising as high as 10% for the largest foundations. This tax increase would directly reduce funds available for grantmaking to nonprofits serving communities across the country.

- **Executive Authority to Revoke Nonprofit Status**

A dangerous provision would grant the Treasury Secretary unprecedented authority to revoke a nonprofit's tax-exempt status—without due process. This sets a troubling precedent and opens the door to politically motivated attacks on charitable organizations.

#### What Philanthropy Can Do

The next 48-72 hours are crucial to influencing this legislation so strong and unified advocacy is needed now. **We strongly encourage all our members to contact your representatives immediately and express concern and opposition to these harmful provisions. Your advocacy is essential to ensuring lawmakers understand the real-world implications of these proposed changes.**

Call and e-mail your representatives to:

- Oppose the foundation investment income tax increase
- Reject the provision that allows revocation of nonprofit status without due process

- Emphasize how these changes would undermine charitable work and negatively impact your community

**Reminder:** Private foundations are legally permitted to engage in advocacy on this tax issue under the "self-defense" exception. The foundation tax provision directly affects foundations' ability to fulfill their charitable purposes, making this a permissible lobbying activity. Foundations may communicate with legislators about this specific issue without it counting as lobbying. This includes calling, writing, or meeting with legislators and their staff, as well as encouraging grantees and partners to do the same.

### Resources for Your Outreach

We are working closely with key partners such as the [United Philanthropy Forum](#) and will continue to provide you with the most up-to-date information and action steps. In the meantime, below are resources that can assist you in your advocacy efforts:

- [United Philanthropy Forum: Advocacy Action Center](#)
- [United Philanthropy's Phone Script](#)
- [National Council of Nonprofits: Nonprofits Under Threat: What's in the House Tax Bill and How You Can Help](#)
- [National Council of Nonprofits: Protecting Nonprofits in Tax Reconciliation](#)
- [Full House Tax Bill Text \("One, Big, Beautiful Bill"\)](#)
- [Ways & Means Full Committee Mark-Up, scheduled today!](#)

As always, [let us know if you need help tailoring your message](#) to your representative or have questions about permissible advocacy activity. We're here to support you.

Lauren Bennett

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