

SHELburne
MUSEUM

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March 11, 2015

Representative Janet Ancel, chair, and
Members of the House Committee on Ways and Means
Vermont General Assembly
115 State Street
Montpelier, VT 05633

Dear Representative Ancel and Members of the Committee:

Shelburne Museum has served Vermont since 1947, drawing visitors to our state and providing programs for Vermonters. The museum is an economic engine, contributing more than 14 million dollars to the local economy each year. More importantly, our collections, exhibitions, and educational programs help define the culture of our community and region. From programs that engage individuals struggling with memory loss to galleries that allow our school children access to the world's greatest art, Shelburne Museum is a vital non-profit that adds profound value to our state.

Like many non-profits in the Green Mountain State, the largest portion of Shelburne Museum's operating budget comes, not from state or federal funds, but from the charitable contributions of individual donors and members. These funds go right to our bottom line, supporting our operating budget and allowing us to operate a program of national caliber and scope. These are the funds that pay for scholarships for Vermont children to attend school programs and camps at the museum. These are the funds that pay for the educators on staff who create these programs.

While I am not able to attend the March 12, 2015 session on this matter, I feel an obligation to voice my opposition to any plan that would reduce the tax-deductibility of charitable donations. Any restriction on the tax deductibility of charitable contributions would have far reaching negative repercussions, especially in a small state such as ours.

Research has shown time and time again that elimination of tax incentives for charitable contributions will have significant negative impact on the non-profits community. A report completed for the Council of Michigan Foundations by the Dorothy A. Johnson Center for Philanthropy clearly illustrates that 2011 legislation in Michigan that eliminated tax deductions for donations to Michigan foundations lead to an average decrease of 46 percent in \$200 donations, an average 64 percent decrease in \$400 donations, and a significant decrease in the

number of new donors. Further, anecdotal reports included in the study attest to the common held belief that tax deductibility is instrumental in increasing new donors, maintaining donor relations, and funding endowments.

Based on these results alone, it is clear that legislation to restrict the tax-deductibility of charitable donations in Vermont would devastate the non-profit community, including Shelburne Museum, and the vulnerable members of our community who rely on many of the services provided.

As stated by the Charitable Giving Coalition on this matter, "Viewing [charitable tax deductions] as a 'tax break for the richest' ignores the lifeline that nonprofit support services and jobs provide millions of Americans. It's not about the donor. It's about what donors' dollars do to aid the most vulnerable, educate, heal, nurture and innovate – often in ways that government and the private sector cannot."

I hope these insights help temper any argument in favor of curtailing charitable contributions to non-profits and welcome any questions on this matter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Tom", with a stylized flourish at the end.

Thomas Denenberg
Director