



**SHELburne  
MUSEUM**

March 20, 2018

Cheryl Jette, Clerk of the Committee  
Senate Finance Committee  
115 State Street  
Montpelier, VT 05633

Dear Ms. Jette:

I apologize that I will miss the opportunity for testimony with my colleagues from the non-profit sector on Thursday. I would like to add my voice to those who are concerned about proposed changes to the state tax code and ask that you share this letter endorsing incentives for giving to non-profits with the committee.

As you may know, Shelburne Museum has served Vermont since 1947, drawing visitors to our state and providing educational 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 programs help define the culture of our state. From programs that engage individuals struggling with memory loss to galleries that allow our schoolchildren access to the world's greatest art, Shelburne Museum is a vital non-profit that adds profound value to our community and region.

Like many non-profits in the Green Mountain State, the largest portion of Shelburne Museum's operating budget comes 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.

Research has repeatedly shown that elimination of tax incentives for charitable contributions will have significant negative impact on the non-profit 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 eliminating tax deductions for donations 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. When this reform was attempted in Hawaii, the projected \$12 million dollars in state revenue was soon offset by a \$60 million dollar drop in charitable giving to non-profits.

Based on these results, it is clear that reducing the tax-deductibility of charitable donations in Vermont would harm the non-profit sector and the members of our community who rely on 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 are helpful as the committee frames the budget for the coming fiscal year.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Thomas Denenberg". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas Denenberg  
Director