



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Taxidermy tax breaks, general non-profit concerns
Da: Tuesday, April 5, 2005

Sen. Chuck Grassley, chairman of the Committee on Finance, today made the following comments on several issues related to his hearing, "Charities and Charitable Giving: Proposals for Reform."

On tax breaks for taxidermy, as reported in today's Washington Post:

"The phoniness of this kind of donation calls out for congressional action. It looks like it's time for these self-enriching hunters to become the hunted. Big-game trophies and other non-cash contributions that give more tax benefits to donors than help to the needy are in the Finance Committee's cross hairs. There's mounting evidence that some taxpayers are using these gifts to play big-money games for personal enrichment. This abuse is no different than what we saw with car donations. With car donations, someone cheated on his taxes to the tune of hundreds of dollars and the charity got \$50 out of it. With taxidermy donations, the museum gets a pittance for a dusty boar's head that sits in a railway car until it sells, while the donor gets big tax breaks. This is completely unacceptable. We need to take the tax cheating out of taxidermy. We need to close loopholes in the tax laws intended to foster charitable donations, and Tuesday's hearing sets the stage for reform legislation."

On IRS Commissioner Mark Everson's letter describing non-profit problems:

"It's a seminal letter that rips off the rose-colored glasses with which we usually look at tax-exempt organizations. What's going on isn't a pretty picture in the harsh light."

In general:

"Charities and gifts to charities benefit from special tax treatment at the federal, state and local level. In exchange for these very generous tax breaks, charitable assets should be going to those in need. More and more, we're seeing that some people view charities and charitable gifts as a chance to help themselves, not others. The last time we thoroughly revised the laws governing charities, a man first walked on the Moon. It's time for comprehensive reforms to shut down personal enrichment at the needy's expense."