



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley Plans Hearing on Charitable Giving Problems, Best Practices

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, along with Sen. Max Baucus, ranking member, will convene a Finance Committee hearing on tax-exempt organizations on the morning (the exact time is to be determined) of Tuesday, June 22, in 215 Dirksen Senate Office Building. The hearing will consider: governance and best practices of charities; charities accommodating tax shelters; donor gifts of tangible and intangible property; and current problems and issues in the charitable community.

“We have a responsibility to conduct oversight of the tax system,” Grassley said. “Lately, more and more tax problems involving charitable giving have come out. Our oversight should include which transactions are in keeping with the intent and spirit of the tax code, which may be inappropriately exploiting charities’ tax-exempt status, and which may be unfairly enriching individuals and corporations.”

Grassley said the committee expects to hear from Mark Everson, the IRS commissioner, as well as state officials. In addition, the committee will receive testimony from individuals with first-hand knowledge about problems and abuses in the donation of tangible and intangible property. Finally, the committee anticipates hearing from leaders in issues of best practices and governance for charities.

Grassley said he hopes this hearing will serve as a basis for consideration of possible legislation to address governance and best practices in charities. In addition, the hearing will assist the committee leaders as they continue to write legislation to respond to problems of certain donations of tangible and intangible property and also potentially abusive situations involving tax shelters. Finally, Grassley said he hopes this hearing will bring light to the importance of the non-profit community to the nation.

As part of the *Jumpstart Our Business Strength (JOBS) Act*, the full Senate last month passed reforms in two areas that have emerged as problematic: vehicle donations and intellectual property such as patents. Grassley said he hopes for final passage of those provisions as he develops legislation to target other areas of charitable giving abuse.

Earlier this year, President Bush signed into law legislation originated by the Finance

Committee that ended abuses of 501c(15) tax-exempt insurance companies.

A hearing witness list and other details will be available later.