



May 7, 2020

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Dear Members of the House Taxes Committee,

The Minnesota Council of Nonprofits (MCN) thanks you for inclusion in your omnibus bill of several provisions that will support the nonprofit sector:

- First, federal conformity to these CARES Act provisions:
 - the above-the-line charitable deduction; and
 - the increased charitable giving limits.
- Second, establishing a subtraction for volunteer driver reimbursements.

Nonprofits provide vital services to Minnesotans and are experiencing significant budget challenges as a result of the current public health emergency. Conformity to the charitable giving provisions in the federal CARES Act will likely increase charitable giving, allowing our state's nonprofits to do more of the work they do so well.

Additionally, we applaud for inclusion of a subtraction for volunteer mileage reimbursement in this omnibus bill. Volunteer drivers are a foundational element in rural Minnesota transportation and have supplemented rural public transit programs for decades. Nonprofits utilize volunteer drivers in many ways, most notably to take individuals to and from medical or other appointments. Nonprofits in Minnesota have experienced low retention of drivers in part because the reimbursement is considered income and would exclude them from income-based programs. Nonprofits need to be able to reimburse volunteers at a rate that has kept up with inflation and the cost of driving, while not creating a financial burden on the volunteers at tax time.

Thank you for your past and continuing partnership as we work together to serve the communities of Minnesota. If you have any questions, please contact Marie Ellis, public policy director, at 612-518-0612 or mellis@minnesotanonprofits.org.

Sincerely,

A handwritten signature in black ink that reads "Jon Pratt".

Jon Pratt
Executive Director

A handwritten signature in black ink that reads "marie ellis".

Marie Ellis
Public Policy Director

Regional chapters in:

- Central Minnesota
- Northeast Minnesota
- Northwest Minnesota
- Southeast Minnesota
- South Central/Southwest Minnesota
- West Central Minnesota