



2018 Public Policy Agenda for North Carolina's Nonprofit Sector

Updated April 16, 2018

Tax Policy:

State policy

- 1. Nonprofit tax exemption.**
 - Support sales tax exemption for all 501(c)(3) nonprofits.
 - Support elimination of limits on nonprofit sales tax refunds.
 - Oppose further limits on nonprofit sales tax refunds or property tax exemption.
 - Oppose unreasonable new taxes on 501(c)(3) nonprofits.
- 2. Incentives for charitable giving.**
 - Oppose limits on the charitable deduction on state income taxes.
 - Support reinstatement of the state IRA charitable rollover.
 - Support expansion of corporate tax deduction for charitable contributions.
 - Support reinstatement of non-itemizer credit or deduction for charitable contributions.
- 3. Sales tax on services.**
 - Support including nonprofits' input on sales tax expansion.
 - Support clarification to laws on sales taxes on nonprofit fundraising events and educational events.
- 4. Tax policy in the state constitution.**
 - Oppose constitutional amendments to institutionalize limits on legislators' fiscal policy options.

Federal policy

- 1. Incentives for charitable giving.**
 - Support a universal, non-itemizer deduction for charitable giving.
- 2. Nonprofit nonpartisanship.**
 - Oppose all efforts to repeal or weaken the Johnson Amendment.
- 3. Tax policy changes.**
 - Oppose unreasonable new taxes on 501(c)(3) nonprofits.
 - Support tax law changes that protect and expand the ability of nonprofits to lobby.

Government Grants and Contracts with Nonprofits:

State policy

- 1. Prompt payment, red tape, and full payment for costs.**
 - Support polices to ensure that state agencies (a) avoid delays in paying nonprofits that deliver services; and (b) inform them in advance if a payment will be late.
 - Support legislative studies to identify solutions to problems with nonprofit-government contracting, including late contracting, late payments, and underpayment for indirect costs.
 - Support full and fair implementation of the OMB Uniform Guidance in state and local contracts.
- 2. Adequate and appropriate state support for public services provided by nonprofits.**
 - Support continued state investment in nonprofits through appropriations and grants.
 - Oppose unfunded mandates for nonprofits in the state budget.
 - Support transparency in the state budget process, including the process for determining which nonprofits receive state support.

Federal policy

1. **Prompt payment, red tape, and full payment for costs.**
 - Support legislation to simplify grant reporting requirements for nonprofits.
 - Support further improvements to the OMB Uniform Guidance.
2. **Adequate and appropriate state support for public services provided by nonprofits.**
 - Support continued federal investment in nonprofits through appropriations and grants.
 - Oppose arbitrary, across-the-board cuts to federal government spending.

Nonprofit Operations:

State policy

1. **Regulation of nonprofits.**
 - Support legislation to create simple, no-fee annual reports for nonprofits.
 - Support adequate funding for regulation of nonprofits by the NC Secretary of State.
 - Support policies creating official or unofficial state agency liaisons with nonprofits.
 - Oppose “mandatory volunteerism” requirements for recipients of government services, since these can create financial and administrative burdens for nonprofits.
2. **Laws affecting nonprofits as employers.**
 - Support policies that enable nonprofits to provide affordable and high quality benefits for their employees.
 - Support policies that reduce unnecessary employment law red tape or expenses for nonprofits.
3. **Nonprofit funding and fundraising.**
 - Support legislation to expand opportunities for nonprofit fundraising events.
 - Support legislation that promotes access to capital for nonprofits.
4. **Nonprofit independence and advocacy.**
 - Support nonpartisan legislative redistricting, which makes elected officials more accountable to nonprofits in their districts.
 - Oppose legislation to politicize state court judges, which would diminish nonprofits’ access to the state court system.
 - Oppose legislation that limits nonprofits’ governance as independent, nongovernmental corporations with control over their own organizational policies and practices.
5. **Election laws.**
 - Oppose election law changes that make it more difficult for people to vote, since these changes ultimately restrict nonprofits’ voices.

Federal policy

1. **Regulation of nonprofits.**
 - Support adequate funding for the IRS to provide reasonable regulation of tax-exempt nonprofits.
2. **Laws affecting nonprofits as employers.**
 - Support policies that enable nonprofits to provide affordable and quality health coverage for their employees.
 - Support labor laws and regulations – including changes to FLSA rules – that treat nonprofits similarly to for-profit businesses and don’t create unexpected new costs for nonprofits.
 - Oppose policies – such as elimination of student loan forgiveness programs – that would harm nonprofit employees.
3. **Nonprofit independence and advocacy.**
 - Oppose new restrictions on nonprofit advocacy rights.
 - Support policies that would ensure a complete and accurate count in the 2020 Census.

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