# Impact of Nonprofit Provisions in Senate Tax Proposal

<table>
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<th>Provision</th>
<th>Number of Nonprofits Affected</th>
<th>Estimated Lost Revenue for Nonprofits</th>
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| **Cap on nonprofit sales tax refunds**         | • Between 35 and 75 nonprofits would be directly affected each year.  
• Many other nonprofits would be indirectly affected by a cap on sales tax refunds. These include the many nonprofits that provide programs and services in collaboration with large nonprofits that would lose revenue from a cap and may have to scale back or eliminate these programs. | • $150 million - $350 million per year | The cap would be about:  
• $10 million in 2016  
• $8 million in 2017  
• $6 million in 2018  
• $4 million in 2019  
• $1 million in 2020 |
| **$20,000 cap on itemized deductions**         | • Between 500 and 5,000 nonprofits would have donors who would be affected by this cap each year | • $60 million - $900 million per year | • North Carolinians make about $5.9 billion in tax-deductible charitable contributions each year.  
• By including all IRS Schedule A deductions (including the charitable deduction) in the $20,000 cap on state itemized deductions and raising the standard deduction to $18,500 by 2020, the Senate plan would essentially eliminate any state tax incentive for charitable giving. |
| **Shift from semi-annual to annual sales tax refunds** | • About 9,000 nonprofits | • $2 million - $20 million per year | This would affect cash flow for many nonprofits |