Statement of Linda M. Czipo, President & CEO, Center for Non-Profits to the Senate Budget & Appropriations Committee
The Honorable Paul Sarlo, Chairperson
May 12, 2020

S-2360 (Kean/Singleton) – Charitable contributions deduction

The Center for Non-Profits, New Jersey’s statewide umbrella organization for the charitable community, strongly support S-2360. This bill would allow taxpayers to take a state income tax deduction, up to $10,000 for individuals and $20,000 for married couples filing jointly, for contributions to qualified New Jersey charities during the COVID-19 pandemic.

As in other times of crisis, the COVID-19 emergency has underscored the continuing importance of charitable non-profits: as providers of immediate care and assistance, economic stability, spiritual comfort, news, education, job training, mental health counseling, environmental stewardship, outlets for grief, hope and inspiration, and as strong partners with government in developing short-and long-term solutions to critical problems. As employers of nearly 10% of the state's private work force and patrons/customers of local and regional for-profit businesses, non-profits are also vital to a strong, thriving economy.

Even before the pandemic hit, non-profits were facing ongoing challenges of meeting steadily rising demand for services with resources that had not kept pace. The crisis has exacerbated this situation to an unthinkable degree. Nearly all of the organizations responding to our recent rapid response surveys have reported severe or moderate disruptions to their programs or operations, with many already reporting crippling financial losses and staff layoffs.1 The impact of cancelled programs, drops in donations, or exponential increases in demand have stretched many charities to the breaking point, just when people need them the most.

S-2360 would provide a much-needed lifeline to help charities to fill growing demands for services and to weather the emergency. Importantly, all taxpayers, regardless of federal itemizer status, could benefit from their generosity to New Jersey charities during this crisis.

Past experience has shown that economic downturns typically hit non-profits immediately, while economic recovery reaches the non-profit community much later than other sectors. After many years of under-funding of vital charitable infrastructure and supports, immediate and long-term help is desperately needed. S-2360 is an important step in providing that help.

We thank Senators Kean and Singleton for sponsoring this important bill, and we ask you to give it your full support.

Thank you for your consideration.

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