



AHP Government Relations Report August 2010

United States

Executive

President signs financial reform bill

President Obama on July 21 signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act ([H.R.4173](#)), which will create an independent Consumer Financial Protection Bureau housed within the Federal Reserve to prevent improper financial practices. The law will also give the Federal Reserve Bank the authority to regulate interchange, or swipe, fees on debit cards by ensuring that fees charged for debit card transactions are reasonable, which may impact charitable organizations receiving online donations. The final bill includes language proposed by AHP and a coalition of interested organizations that protects nonprofits from burdensome oversight by the proposed new agency. As recorded in § 1027 (k)(1) of the bill, the bureau does not have the authority to supervise or regulate “any activities related to the solicitation or making of voluntary contributions to a tax-exempt organization... by any agent, volunteer, or representative of such organizations to the extent the organization, agent, volunteer, or representative thereof is soliciting or providing advice, information, education, or instruction to any donor or potential donor relating to a contribution to the organization.”

President signs jobs act, IRA rollover remains on hold

President Obama on July 22 signed The American Jobs, Closing Tax Loopholes, and Preventing Outsourcing Act of 2010 ([H.R.4213](#)). Although the original bill included a one-year retroactive extension of the IRA charitable rollover, this provision was pulled on June 24 after a second attempt to move to a final vote on the bill failed. The Senate is now unlikely to act on an IRA charitable rollover extension until the fall.

Legislative

Sanders introduces estate tax bill

On June 25, U.S. Senators Bernie Sanders (I-VT), Tom Harkin (D-IA) and Sheldon Whitehouse (D-RI) introduced the Responsible Estate Tax Act ([H.R. 5764](#)). The bill would permanently fix the estate tax by combining the 2009 exemption levels with progressive rates for larger estates, including a new billionaires surtax. The bill was referred to the House Committee on Ways and Means on July 15.



Small-Business bill awaits Senate approval

The Small-Business Tax Relief Act ([H.R. 5764](#)), excluding an estate tax amendment, now awaits Senate approval. Senate Finance Committee member Jon Kyl (R-AZ), who had planned to offer an estate tax amendment to the measure with fellow committee member Blanche Lincoln (D-AR), confirmed to reporters last month that it would not receive consideration on the chamber floor. The amendment would have permanently set the estate tax exemption level and top rate at \$5 million and 35 percent, respectively, over a period of ten years.

Congresswoman launches website with health care law reform information

On July 1 Congresswoman Lucille Royball-Allard launched the [Health Care Reform Report](#), a consumer-friendly site which offers information regarding the new health care reform law. The report is a useful reference for patients/donors wanting a synopsis of how the health care bill impacts them.

Agencies

HHS request comments regarding proposed changes to HIPAA fundraising rules

The Department of Health and Human Services, Office for Civil Rights, announced July 8 proposed modifications to the Health Insurance Portability and Accountability Act (HIPAA) Rules as directed under the Health Information Technology for Economic and Clinical Health Act (HITECH). The suggested changes aim to strengthen the privacy and security protection of health information and to improve the workability and effectiveness of HIPAA Rules. The [Notice of Proposed Rulemaking](#) contains proposed changes to the HIPAA fundraising language (pages 115-120), including strengthening of the fundraising opt-out requirement and language. Additionally, HHS is seeking comments regarding the possible expansion of allowable patient information available to fundraisers, including potential access to department and outcomes data. AHP is currently in the process of drafting its response to HHS. Once the draft is complete, an e-mail will be sent to all AHP members requesting that they review AHP's statement and submit comments to HHS by the September 13 deadline.

U.S. Postal Service proposes rate increase

Faced with plummeting mail volume, the U.S. Postal Service (USPS) announced in early July its proposal to increase postage pricing. Standard Mail letters would increase by approximately 5 percent, while flats would go up 5.1 percent. First Class mail would rise from 44 to 46 cents and First Class postcards would rise from 28 to 30 cents. The Postal Regulatory Commission (PRC) is



expected to rule on the case by October and new prices would take effect Jan. 2, 2011, if approved.

Canada

AHP to submit pre-budget recommendations to House of Commons

The House of Commons Standing Committee on Finance issued in late June its call for briefs and recommendations as part of the consultation process for Budget 2011. The deadline for submission is August 13. AHP is currently in the process of drafting its brief. Once finalized, a copy will be made available to all AHP Canada members.

Harmonized Sales Tax (HST) replaces Provincial Sales Tax (PST) in select provinces

On July 1, the provincial sales tax (PST) was replaced by the harmonized sales tax (HST) in Ontario and British Columbia. Administered by the Canada Revenue Agency (CRA), the HST combines the federal goods and services tax (GST) with the PST in participating provinces. Newfoundland, New Brunswick and Nova Scotia adopted the HST on April 1, 1997. The HST rate in Ontario is 13 percent, which combines the 5 percent GST with an 8 percent provincial component. The HST rate in British Columbia is 12 percent, where the provincial component is 7 percent. Also on July 1, 2010, the HST rate in Nova Scotia increased from 13 percent to 15 percent (5% federal part and 10% provincial part). Carter's [Charity Law Bulletin](#) provides an overview of the implications of the HST for charities and nonprofit organizations. [Frequently Asked Questions](#) regarding the application of GST/HST to charities is available on the CRA website.