

## **AHP Government Relations Report February 2011**

### United States

#### **Senate Democrats turn back Republican health care repeal amendment**

Senate Democrats voted down a Republican-led effort to attach a health care law appeal amendment to the FAA reauthorization bill. Despite the setback, Republicans have pledged to attempt to dismantle the health care law. Short of a full-scale repeal, Republican lawmakers have said they will challenge elements of the law, try to starve implementation funds for it, hold oversight hearings and craft legislative alternatives.

#### **New Finance Committee members named for 112<sup>th</sup> Congress**

Senate leaders officially announced that Senators Tom Coburn (R-OK), John Thune (R-SD), and Benjamin Cardin (D-MD) will join the Senate Finance Committee for the 112<sup>th</sup> Congress. Cardin takes the place of former Sen. Blanche Lincoln (AR), who lost her re-election bid in November, while the new Republicans reflect a vacancy from the retirement of former Sen. Jim Bunning (KY) and the seat added for the new Congress. The remainder of the Finance Committee roster will be the same as the 111<sup>th</sup> Congress.

#### **House & Senate Ways and Means holds hearings on fundamental tax reform**

The House Ways and Means Committee has begun a series of hearings on fundamental tax reform to examine both the individual and corporate sides of the [Internal Revenue Code](#). The White House and many Republicans agree in principle that an overhaul is needed, but there is very little consensus at this point on how it should be approached.

The Senate Budget Committee has also been looking at tax reform, holding their first hearing on February 2 entitled "Tax Reform: A Necessary Component for Restoring Fiscal Responsibility."

#### **CBO projects \$1.5 trillion deficit for FY 2011**

Congressional Budget Office (CBO) Director Douglas Elmendorf announced in mid-January 2011 that the [tax package](#) passed at the end of last year to extend the 2001 and 2003 tax cuts for all taxpayers has added about \$414 billion to the deficit for FY 2011. The CBO projected in August that the deficit would be just under \$1.1 trillion for the current fiscal year, but [analysis released](#)

last month now projects a deficit of almost \$1.5 trillion. Elmendorf said that Republican plans to roll back spending to FY 2008 levels once the current continuing resolution (CR) expires March 4 would amount to around \$82 billion in deficit reduction for FY 2011.

### **Senators prepare legislation to implement deficit commission proposals**

With the Congressional Budget Office (CBO) projecting the national debt will exceed \$18 trillion by 2021, Senators Mark Warner (D-VA) and Saxby Chambliss (R-GA) are drafting legislation based on the December recommendations of President Obama's deficit reduction commission, which called for significant spending cuts, an overhaul of the Internal Revenue Code and major changes in entitlement programs. The drafting of the legislation is expected to take several more weeks and coincides with bipartisan Senate meetings on the debt situation. Warner spokesman Kevin Hall said that bill is intended as a starting point for debate and as a signal to financial markets that the Senate is serious about dealing with the debt. The Warner-Chambliss bill could find support from some key senators, including Kent Conrad (D-ND), Richard Durbin (D-IL), Tom Coburn (R-OK), and Mike Crapo (R-ID), all members of the deficit commission who voted in favor of the final recommendations.

### **Senate adopts 1099 rules repeal amendment as part of FAA bill**

The Senate adopted on February 2 an amendment offered by Sen. Debbie Stabenow (D-MI) to the FAA reauthorization bill to repeal the new Form 1099 reporting requirements enacted under the health care reform law. Beginning in 2012, businesses and nonprofits will be required to fill out a Form 1099 for every for-profit organization to which they pay at least \$600 for goods or services in a given year. Stabenow's amendment would pay for the repeal by rescinding \$44 billion in unobligated discretionary spending.

### Canada

#### **Form T3010-1 and amended Guide T4033-1 now available on CRA website**

A new [Form T3010-1, Registered Charity Information Return](#), and amended [Guide T4033-1, Completing the Registered Charity Information Return](#), are now available at the Canada Revenue Agency website. Charities with fiscal periods ending on or after March 4, 2010, that have not already filed should use the new form. The form and guide were updated because of amendments to the Income Tax Act.

### **Statistics Canada releases most recent charitable donor stats**

Statistics Canada released its most recent [charitable donor statistics covering the 2009 tax year](#) in late November 2010. These annual releases provide information on Canadian taxfilers claiming charitable donations. Key statistics include the number of donors, total and median donation amounts both nationally and by province and territory. These statistics are commonly cited in media reports and are a key contextual piece for the sector. Imagine Canada has recently created [a brief summary](#) of the latest figures, commentary regarding recent trends and critical context regarding the under-appreciated impact of tax shelter arrangements on these statistics.

### **Imagine Canada releases reports based on Statistics Canada 2007 Survey of Giving**

Imagine Canada has recently compiled several reports and presentations incorporating Statistics Canada's regional data from the *2007 Canada Survey of Giving, Volunteering, and Participating* at the regional level. These [reports and presentations](#) cover a range of topics, including the demographics of donors and volunteers, methods of donation, the ways in which volunteers become involved, and the motivations and barriers that affect giving and volunteering decisions.

### **AHP Canada encourages charitable giving while reducing budget deficit**

AHP sent a message to the Prime Minister and the Minister of Finance encouraging charitable giving in the form of a full-page ad that appeared in *The Globe and Mail* on Wednesday, February 2, 2011. The letter was signed by AHP among others and calls for the government to capitalize on the success of the elimination of the capital gains tax on gifts of listed securities by expanding the tax exemption to include gifts of private company shares and taxable real estate. [Click here](#) to view the text and image of the ad on the AHP website.

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*Sources: Independent Sector, The Hill, Imagine Canada*