TAX POLICY

Preserve the Tax Exemption of Municipal Bonds

Aging services providers rely on tax-exempt bond financing to fund capital projects or refinance debt, including for nursing homes, life plan communities, and pairing tax-exempt bonds with Low Income Housing Tax Credits (LIHTCs) for affordable senior housing.

Private activity bonds finance more than half of all the affordable rental homes produced and preserved by the LIHTC. Almost one-third (32%) of LIHTC homes include an older adult, making the LIHTC and bond programs critical for affordable senior housing preservation and production.

Removing or restricting the tax exemption for interest on municipal bonds would raise the cost of borrowing and make it more difficult for some organizations to access capital, greatly affecting the ability of aging services providers to sustain and advance their mission to serve individuals and communities.

Congress should oppose proposals to limit or eliminate the tax exemption of state and local bonds.

Protect the Tax-Exempt Status of Nonprofits

Support policies that empower nonprofit aging services providers and the broader charitable sector to continue and expand their vital, front-line work in supporting individuals and communities. Nonprofit and other mission driven organizations play a critical role across the United States in serving our nation's older adults. They are pillars of their communities, providing essential services including housing, support for activities of daily living and healthcare needs, life enrichment and much more.

Eroding the financial foundation of these organizations would have wide ranging and rippling effects, including on access to critical housing, services and supports. Reject policies that would restrict or eliminate existing tax-exempt status, for example, or that would subject income earned by nonprofits to taxation beyond current law. Instead: Shape the tax code to retain incentives and supports for providers that work tirelessly to lead and innovate solutions that support older adults wherever they call home in communities across the country.

Incentivize Charitable Giving

Charitable contributions provide aging services providers with vital resources needed to fulfill their mission of service to older adults. The income tax deduction for charitable contributions is cost effective, supports both the creation and the quality of settings, services and supports, and benefits the larger community.

- Oppose proposals that remove the deduction for contributions to charitable aging services organizations with 501(c)(3) tax-exempt status.

- Support The Charitable Act (S. 317 / H.R. 801) that would allow taxpayers who do not itemize to deduct charitable donations.

Employee Retention Tax Credit (ERTC)

The ERTC offered critical support for employers to retain employees on the payroll during shutdowns ordered by governments or while incurring significant revenue reductions due to the pandemic. For non-profit aging services organizations and businesses that would not have benefitted from a traditional income tax credit approach, this credit was a particular lifeline. The rules for this program evolved over time and IRS guidance arrived late in the submission process. However, our aging service providers sought trusted experts to carefully evaluate whether this program applied to their situations before submitting a claim. Many of them are still waiting to receive the promised funds from this credit. While we understand that this program has been rife with bad actors, if Congress opts to end this program early, it should do so only after paying out legitimate claims submitted by January 31, 2024. These dollars will provide critical infusions of capital to aging service providers who are operating on slim to negative margins but are also major economic contributors to their communities.