

Legislative & Executive Threats to Your Nonprofit – Live Q&A

Presented by:

Sarah Saadian, SVP Public Policy and Campaigns

Tiffany Gourley Carter, Public Policy Director and Counsel



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1.

Administrative Threats







Executive Branch

Executive Orders Affecting Charitable Nonprofits

National Council of Nonprofit

Updated July 17, 2025

New updates are highlighted in beige.

After his January 20th inauguration, President Trump signed dozens of Executive Orders (EQS) covering a broad range of issues, including diversity, equity, and inclusion propersing sovernment grants and not oftracts; tyice resigness; immagnation; and certain nonprofit subsectors. Some of the COs won't take effect immediately, and many are expected to be immediately challenged in court. This chart outlines some of the EOs that may affect nonprofits directly or indirectly.

This document will be updated frequently, so please use this link to see the most up-to-date version:

Help us track the impacts of the recent Executive Orders on the nonprofit sector by sharing your stories of observed impacts on your work and the people you serve: https://www.councilofnonprofits.org/form/effects-executive-actions-nonprofits.

Background Resources

- National Webinar: Executive Actions and their Impact on Charitable Nonprofits (57:38) recording and slides, National Council of Nonprofits, Feb. 7, 2025
- The Impacts of the Recent Executive Orders on Nonprofits, National Council of Nonprofits.
- · Presidential Actions, White House.
- . What Is an Executive Order?, American Bar Association, Jan. 25, 2021.

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- . Diversity, Equity, and Inclusion
- Federal Government
- · LGBTO+

- nvironment
- Census
- Civic Engagement
- louse of Worship/Faith-Based Group
- Other

The content provided in this chart is provided in good faith for informational purposes only and is neither intended to be nor should be construed as legal or tax advice. Please consult an attorney for the latest and most accurate information. The National Council of Nonprofits makes no representations or warranties as to the accuracy or timeliness of the information contained herein.

175 EOs (and counting)

- Diversity, Equity, and Inclusion
- Federal Government
- Immigration
- Census, Voting, and Community Engagement
- Houses of Worship/Faith-Based
- Public Service Loan Forgiveness
- Higher Ed
- Regulations
- Other







Judicial Branch

357 Lawsuits (and counting)

- NCN v. OMB
- Woonasquatucket v. Ag
- Grants and Contracts
 - Availability
 - Certification DEI
- Separation of Powers
 - Appropriations
 - Universal Injunctions (SCOTUS)
 - Expansion of Executive Powers







Attempts to Weaken or Eliminate Nonprofit Nonpartisanship / Johnson **Amendment**

Legislation

- Free Speech Fairness Act (S.1205/H.R.2501)
- Ohio HCR 9
- Other State Action?







Attempts to Weaken or Eliminate Nonprofit Nonpartisanship / Johnson **Amendment**

Executive Actions

- Executive Orders
 - 2017 Promoting Free Speech and Religious Liberty
 - 2025 Establishment of the Religious Liberty Commission
- Regulations
 - Treasury Priory Guidance Plan 2025-2026
 - Institute for Free Speech recommendations







Attempts to Weaken or Eliminate Nonprofit Nonpartisanship / Johnson **Amendment**

Litigation

- SAFE SPACE case voluntarily dismissed without prejudice (Mar. 2024)
- National Religious Broadcasters v. Long ongoing (Nov. 2024)
 - <u>Proposed</u> Settlement Agreement between two churches and IRS







2.

Legislative Threats







Tax Reconciliation Package

One Big Beautiful Bill Act







2025 Tax Package

Thanks to your effective advocacy, the final bill is a marked improvement over earlier versions.

<u>2,300 nonprofit organizations signed a national letter</u> – led by NCN, Council on Foundations, Independent Sector, and United Philanthropy Forum – and thousands more contacted their Members of Congress, published op-eds and letters to the editor, educated community members, and more!







2025 Tax Debate

BUT....

The final bill enacted into law will ultimately reduce resources available to nonprofit organizations, negatively impacting their ability to provide essential services to their local communities.







Passed: Universal Charitable Deduction

- Creates a new PERMANENT universal charitable deduction is now available for the 90% of taxpayers who do not itemize their deductions.
- Modeled after the bipartisan Charitable Act introduced by Sen. Lankford (R-OK), Sen. Coons (D-DE), Rep. Moore (R-UT), and Rep. Pappas (D-NH).
- Valued at up to \$1,000 for individuals and \$2,000 for married couples.
- Estimated to generate \$74 billion over 10 years for nonprofit organizations.
- Goes into effect starting in 2026.







Passed: Cap on Individual Itemizers

- Sets a 0.5% floor on individual itemizers and decreases the value of the charitable deduction for those in the highest tax bracket.
- Discourages high-income earners from claiming the tax deduction. These taxpayers are responsible for more than half of all itemized charitable giving.
- Estimated to cost \$34 billion over 10 years, but would reduce charitable giving by at least \$40B over 10 years, according to Independent Sector.
- Goes into effect starting in 2026.







Passed: Floor for Corporate Giving

• Creates a new 1% floor for the corporate deduction for charitable giving.

Corporations can only claim the charitable deduction to the extent that contributions exceeds 1% of the corporation's taxable income and does not exceed 10% of the corporation's taxable income.

Limits the ability to carry forward any excess to 5-years only. Carry-forward contributions do not have to separately meet the new floor.

- Estimated to cost \$16.6 billion over 10 years, but would reduce corporate charitable giving by ~\$45 billion in that same period, according to Independent Sector.
- Goes into effect starting in 2026.







Passed: Severe Cuts to Medicaid, SNAP

- 10 million people will lose access to healthcare over 10 years.
- 2 million people will lose access to food assistance over 10 years.

These changes increase needs in our communities, putting even greater strain on nonprofit organizations that provide essential services.







NOT Included: Foundation Tax

- Proposed in the House, but removed by the Senate.
- Would have increased taxes on the net investment income of private foundations:
 - Foundations with assets less than \$50M, apply current tax rate of 1.39%
 - Foundations with assets between \$50M-\$250M, apply a tax rate of 2.78%
 - Foundations with assets between \$250M-\$5B, apply a tax rate of 5%
 - Foundations with assets greater than \$5B, apply a tax rate of 10%
- Would have cost \$16B over 10 years.
- Would have gone into effect for 2025.







NOT Included: Tax on Nonprofit Employers

- Proposed in the House, but removed by the Senate. Previously enacted in 2017, but repealed in 2019 because it was confusing and challenging to implement.
- Would have taxed the transportation benefits provided by nonprofit employers as unrelated business income:

The cost/value of any qualified transportation fringe benefit or any parking facility would have been taxed as unrelated business income.

Church organizations would have been exempted.

- Would have cost \$2.7B over 10 years.
- Would have gone into effect for 2026.







NOT Included: Other Provisions

 Language granting the executive branch authority to revoke nonprofit status without due process.







Funding Freezes, Cuts, Rescissions







President's Skinny Budget

Proposes to slash domestic spending by 22.6%

Eliminates or Deeply Cuts:

- Disaster preparedness
- Substance use disorder
- Clean and drinking water
- Fair housing and civil rights

- Heating assistance
- Americorps
- Energy efficiency

- Housing/community development
- Many, many more.

Read NCN's full analysis <u>here</u>.







President's Skinny Budget

Denigrates Nonprofits

Throughout the budget, specific nonprofit organizations are identified and denigrated as "wasteful," "liberal," "radical leftists," and pushing a "leftist agenda."

OMG Director says the cuts are needed because federal spending went to "…niche non-governmental organizations and institutions of higher education committed to radical gender and climate ideologies antithetical to the American way of life."

Read NCN's full analysis <u>here</u>.







House and Senate Spending Bills

Is Bipartisan Dealmaking Still Alive?

Spending bills require 60 votes in the Senate, forcing both Democrats and Republicans to work together to reach an agreement on spending.

President Trump and Congress voted to rescind funding – formalizing DOGE spending cuts – with only a simple majority.







House and Senate Spending Bills

By October 1

Congress must pass either (1) a spending bill or (2) a short-term funding gap or it risks a **government shutdown.**







Congressional Attacks on Nonprofits







Baseless Attacks on Nonprofits



Published: May 28, 2025

DOGE Subcommittee
Announces Hearing to
Expose NGOs' Use of
Federal Funds to Advance
Radical Agenda

Hearing: How Leftist Nonprofit Networks Exploit Federal Tax Dollars to Advance a Radical Agenda

AN INSIDE JOB: HOW NGOS FACILITATED THE BIDEN BORDER CRISIS







3.

What you can do.







What You Can Do

Stay Connected

- Sign up for newsletters
- Build alliances with other sectors.

Share Your Experience

- Reach out to your congressional delegation
- Speak out and keep the sector united.

Carry Out Your Mission

 Your nonprofit makes a difference in your community







Questions?

tcarter@councilofnonprofits.org ssaadian@councilofnonprofits.org







Thank You





