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“If there is no struggle, there is no progress.”
Frederick Douglas

AACS Legislative Director Testifies at IRS Hearing Regarding Troublesome SALT Regulations

This week, AACS Legislative Director Jamison Coppola testified at an IRS hearing regarding the proposed rule on State and Local Taxes (SALT) that could have a negative effect on charities and scholarship granting organizations (SGOs). The Treasury Department rule seeks to correct a problem that arose when five high-tax states created “pass through” charities as a work around for the \$10,000 cap set by the 2017 Tax Cuts and Jobs Act, effectively laundering local tax dollars so that residents may claim their tax payments as charitable deductions. To prevent states from creating “pass through” charities, the Treasury proposed limiting the federal charitable deduction. However, that plan to address fake charities also affects existing charities, and has already resulted in a significant decrease in contributions to some SGOs that are proven to help families afford quality education for their children. For example, in South Carolina, one such SGO which provides scholarships for special needs children raised \$17.5 million in a day and a half from over 1,100 donors in 2018, but in 2019 has only raised \$7 million in nine months from 420 donors. Mr. Coppola noted in his remarks that the “uncertainty and the lack of clarity [in the regulations] has devastated giving to their program.”

Mr. Coppola further explained that the proposed regulation “fundamentally changes the way individuals and programs have operated for decades and it is hurting and will continue to hurt school choice programs set up and operating fairly and charitably under the preexisting treatment.” He also specifically urged the IRS to make the changes that would target only “those states and programs that were specifically created to get around the SALT caps and are not legitimate charities.” He further stated, “At the very least, the Department should leave in place the tax treatment for the state-level programs that preexisted the state charities created to get around the SALT exemption. School choice programs already struggle in hostile political environments; and when they are hurt financially, students and families are deprived of the choices these programs were created to provide. Please use a scalpel not a saw to solve this problem.” The AACS also submitted written public comments earlier this month on the same issue, urging the Treasury Department to provide an exemption which would allow state tax incentives for legitimate charitable organizations like SGOs that are privately funded and have existed for decades to give students a chance at a better education.

Florida Tax Credit Donors Renew Support after Withdrawing over Christian School Policies

Just weeks after declaring they would end their support to Florida’s vibrant school choice program, Fifth Third Bank [reversed its decision](#). Florida’s school choice community was recently shaken after the *Orlando Sentinel* published a series of [articles attacking Christian schools](#) for their biblical standards regarding marriage and sexuality. The *Sentinel* investigated Christian schools that participated in the state’s tax credit scholarship program and found 156 schools that had supposedly “anti-LGBTQ rules.” The *Sentinel* then posted excerpts from those schools’ policy manuals stating their belief in biblical marriage and sexuality and their expectation

that students and faculty live by those beliefs. In response to the *Sentinel* pieces and pressure from some lawmakers, several corporate donors to Florida's tax credit program pulled their support. The largest of these was Fifth Third Bank, which gave \$5.4 million to the program last year. But after meeting with families, pastors, and school choice leaders, the bank decided it would continue donating to a program that primarily helps poor, minority students attend quality schools. Defending the program, the [state Department of Education responded](#) that the entire controversy was “nothing more than a ruse to create scare tactics and trample on the constitutional rights we all enjoy—the freedom of religion, and the freedom of speech.” Fifth Third's decision shows that Christian schools participating in school choice maintain their full religious freedom only when they actively engage with their communities and legislatures to show the life-changing value of Christian education.

Democrat Senators Block Vote to Protect Life

Two pro-life bills failed in the U.S. Senate on Tuesday after almost all [Democrat Senators voted against](#) the bills, causing each to fall short of the 60-vote threshold needed to advance. The Pain-Capable Unborn Child Protection Act (S. 3275), sponsored by Sen. Lindsey Graham (SC) prohibits abortions after 20 weeks, the point at which [studies show](#) a pre-born baby can feel pain. In a tweet, Sen. Graham noted that “there are only seven countries that allow wholesale abortions at the 20-week period, including China and North Korea.” Yet, only two Democrats, Sen. Bob Casey (PA) and Sen. Joe Manchin (WV), joined the other Republicans in support, making the final vote 53-44. The Born-Alive Abortion Survivors Protection Act (S. 311), sponsored by Sen. Ben Sasse (NE), ensures babies who survive an abortion receive proper medical care and are not left to die once they have been born. Democrat Sen. Doug Jones (AL) joined Senators Casey and Manchin in crossing the aisle to vote for the bill with the Republicans, making the final vote 56-41. Responding to Democrats' opposition to this bill, [Sen. Sasse noted](#), “There's nothing in the bill that's about abortion. Nothing. It's about infanticide.... We're talking about killing babies that are born.” Two Republicans—Senators Lisa Murkowski (AL) and Susan Collins (ME)—opposed both bills, and the three Senators campaigning for President were absent for the votes. The White House issued a [Statement of Administration Policy](#) supporting both bills, stating, “all babies have the same dignity. They should not have to endure pain, and they should receive critical life-saving care regardless of whether they are born in a hospital, at home, or in an abortion clinic.”

In Case You Missed It:

[Weekly Market Update](#) provided by Jeff Beach of the [AACCS Investment Team at Merrill Lynch](#)

[In New Supreme Court Case, Religious Liberty is at Stake](#)

[Appeals Court Upholds Trump Administration Rules on Title X Funding for Abortion](#)

[Sanders Reveals Free Child Care Plan for Preschoolers](#)

[Trump Administration's Accomplishments on Life, Family, and Religious Liberty](#)

[Mayor Pete Says Christian Colleges That Refuse to Hire LGBT Workers Should Lose Federal Funding](#)