

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

FOR IMMEDIATE RELEASE

CONTACT: (202) 225-1721

April 13, 2005

No. FC-7

Thomas Announces Hearing on an Overview of the Tax-Exempt Sector

Congressman Bill Thomas (R-CA), Chairman of the Committee on Ways and Means, today announced that the Committee will hold a hearing titled “An Overview of the Tax-Exempt Sector.” **The hearing will take place on Wednesday, April 20, 2005, in the main Committee hearing room, 1100 Longworth House Office Building, beginning at 10:30 a.m.**

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. Invited witnesses will include Honorable David Walker of the U.S. Government Accountability Office, Douglas Holtz-Eakin of the Congressional Budget Office, George Yin of the Joint Committee on Taxation, and several legal experts. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

BACKGROUND:

According to the Internal Revenue Service (IRS), there are over 1.8 million tax-exempt organizations under §501(c), not including churches and religious organizations. Between 1998 and 2002, the assets of tax-exempt organizations grew from \$2 trillion to more than \$3 trillion.

Congress first defined the exemption for charitable organizations and allowed the first deductions for charitable contributions approximately 100 years ago. Over time, Congress has vastly expanded eligibility to include a wide array of entities. Since 1954, there have been some 35 changes made to § 501(c). There are now 28 tax-exempt categories under §501(c) covering organizations ranging from public charities and religious organizations to labor unions, trade associations, social clubs, fraternal societies, credit unions, cemetery companies and cooperatives.

In announcing the hearing, Chairman Thomas stated, “This continues the series of hearings we held last year examining the tax-exempt sector. Congress needs a better understanding of how vast and diverse this sector is today. Tax-exemption is an important benefit and the Congress has a responsibility to oversee and assure the American taxpayer that the tax-exempt sector is living up to its legal responsibilities.”

FOCUS OF THE HEARING:

The hearing will examine the legal history of the tax-exempt sector; its size, scope and impact on the economy; the need for congressional oversight; IRS oversight of the sector; and what the IRS is doing to improve compliance with the law.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “109th Congress” from the menu entitled, “[Hearing Archives](http://waysandmeans.house.gov/Hearings.asp?congress=17)” (<http://waysandmeans.house.gov/Hearings.asp?congress=17>). Select the hearing for which you would like to submit, and click on the link entitled, “[Click here to provide a submission for the record.](#)” Once you have followed the online instructions, completing all informational forms and clicking “submit” on the final page, an email will be sent to the address which you supply confirming your interest in providing a submission for the record. You **MUST REPLY** to the email and **ATTACH** your submission as a Word or WordPerfect document, in compliance with the formatting requirements listed below, by close of business Wednesday, May 4, 2005. **Finally**, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word or WordPerfect format and **MUST NOT** exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.
2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.



3. All submissions must include a list of all clients, persons, and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.