**[Senate Template for Philanthropy Colorado Private Foundations]**

**[Your Foundation’s Letterhead or Return Address]**
[Your Name]
[Your Title]
[Foundation Name]
[Street Address]
[City, State ZIP Code]
[Email Address]
[Phone Number]

[Date]

**The Honorable [First Name Last Name]**
United States Senate
[Address Line 1]
[Address Line 2]
Washington, DC 20510

**Subject: Hurt to Colorado Nonprofits and Community from Proposed Increase in Private Foundation Excise Tax**

Dear Senator [Last Name]:

I am writing to express serious concern about the proposed changes to the excise tax on private foundations’ net investment income, as included in the tax bill recently approved by the House of Representatives.

As a leader of [Foundation Name], a private foundation dedicated to serving [brief mission statement or community focus], I feel it is critical to share how these proposed changes would directly impact our organization’s ability to fulfill our mission and serve our community. The proposed tiered increase — up to 5% for Colorado’s largest foundations — would significantly reduce the resources we are able to dedicate to charitable work.

Under current law, private foundations like ours pay an excise tax on net investment income. While we fully comply with and support appropriate regulation, these proposed changes would mark a dramatic shift in our tax obligations and effectively reduce the amount of funding available for nonprofits addressing essential community needs, from hunger and housing to disaster response and education.

It’s important to understand that this increase in taxes would not come from profits or business activity, but from funds that are designated for charitable purposes. At a time when many Colorado communities are already experiencing cuts in government services and an increased reliance on the nonprofit sector, this change would create a damaging ripple effect — fewer grants, fewer services, and more unmet needs.

[Optional: Insert a sentence or two about specific grants or programs that would be affected.]

This proposal affects the **duties and obligations** of private foundations under Section 4940 of the Internal Revenue Code and therefore falls within the “self-defense” communications allowed under Section 4945(e). As such, I respectfully urge you and your Senate colleagues to consider the real-world consequences this change would have on philanthropic giving and the nonprofit sector overall.

Private foundations are vital partners in addressing urgent local and national challenges. We ask that you protect our ability to continue supporting the nonprofits that countless people depend on every day.

Sincerely,
[Your Name]
[Your Title]
[Foundation Name]

**[Template for Philanthropy Colorado Members in Support of Private Foundation Peers]**

**[Your Organization’s Letterhead or Return Address]**
[Your Name]
[Your Title]
[Organization Name]
[Street Address]
[City, State ZIP Code]
[Email Address]
[Phone Number]

[Date]

**The Honorable [First Name Last Name]**
[U.S. House of Representatives / United States Senate]
[Address Line 1]
[Address Line 2]
Washington, DC [20515 for House / 20510 for Senate]

**Subject: Proposed Excise Tax Increases Will Undermine Colorado’s Charitable Ecosystem**

Dear [Representative/Senator] [Last Name]:

As a member of Colorado’s philanthropic community, I am writing to express concern about the proposed changes to the federal excise tax on private foundations’ net investment income, included in the recent House Ways & Means Committee tax package.

While our organization, [Organization Name], is not structured as a private foundation, we work in close partnership with many who are. These trusted philanthropic partners fund and collaborate with us to address urgent needs across Colorado — from food security to education, health, and disaster relief.

The proposed increase in excise tax — up to 10% for foundations with the greatest assets — threatens to significantly reduce the pool of funds available to nonprofit organizations. As philanthropic dollars stretch further to meet increasing needs and fill the gaps left by shrinking government resources, this policy change would have consequences well beyond the foundations directly taxed.

Colorado’s philanthropic infrastructure is deeply interconnected. Private foundations are core partners to community foundations, corporate giving programs, federated campaigns, and donor-advised funds. A reduction in their giving capacity weakens the entire system, especially in rural and historically underfunded communities. The ripple effects of these tax changes would undermine multi-sector collaboration — a key strength of our state’s nonprofit response network.

Furthermore, this proposal sends the wrong signal at the wrong time. As needs increase and budgets tighten, we should be encouraging — not discouraging — charitable investment in community solutions. Every dollar taxed from a foundation’s endowment is one less dollar available for the essential work carried out by nonprofits across Colorado.

We urge you to consider the broader implications of this tax proposal on our state’s philanthropic and nonprofit sectors. Philanthropy is strongest when we work together — and right now, our communities need every tool available to weather growing challenges and invest in a more resilient future.

Thank you for your leadership and attention to this issue.

Sincerely,
[Your Name]
[Your Title]
[Organization Name]