

Call To Action for Nonprofits Re: Tax Bill Markup Today

05.13.25 | Linda J. Rosenthal, JD



There is critical activity right now in the U.S. House of Representatives on the GOP's major tax bill. If it passes Congress, it will be the culmination of a long-held wish list to (1) extend the deep tax cuts enacted in the 2017 Tax Cuts and Jobs Act [slated to sunset at the end of 2025]; and (b) take a hatchet to billions in federal spending on social safety-net programs including Medicaid.

"House Republicans have just released text of their major tax bill, and it includes several harmful provisions that [National Council of Nonprofits](#) will forcefully oppose," according to NCN's call-to-action posted yesterday, Monday, May 12, 2025. See [Nonprofits Under Threat: What's in the House Tax Bill and How You Can Help](#) (May 12, 2025).

There is urgency: the House Ways and Means Committee, which posted the proposed text less than 24 hours ago, has scheduled a "markup session" hearing for today – Tuesday, May 13th – beginning at 2:30 pm EDT. See [Full Committee Markup of Legislative proposals](#) to comply with the reconciliation directive included in section 2001 of the Concurrent Resolution on the Budget for Fiscal Year 2025, H. Con. Res. 14," including the [online link](#) which will go active at the scheduled hour.

"A markup session" is one in which the Members "... debate and potentially amend the proposed tax bill. This means the bill's language and provisions are still subject to change" as the proceedings get under way, according to the [official announcement on the Committee's website](#). As for the projected time frame, the "markup session is expected to be lengthy, possibly running through the night, as it involves reviewing a substantial 389-page document."

Earlier, over the weekend, the House Energy and Commerce Committee had released the text of its portion of the overall bill (including the Medicaid provisions.) The mark-up of this second section will be scheduled soon, possibly this week. Republicans are " [seeking passage in the House of](#)

Representatives by Memorial Day.”

“By using the reconciliation process, Republicans can enact the tax bill with only a simple majority vote in the House and Senate” although they “cannot afford to lose more than three [House] votes in order to pass the package as written. If Republican leadership garners enough support to pass the bill, it will then head to the Senate for a vote on the floor before going to the President’s desk for a signature. Leaders have indicated the 4th of July as a goal deadline for passage.”

The National Council of Nonprofits believes, “based on a number of factors,” the “best opportunity to change the tax bill is in the Senate.”

Ways and Means Provisions

The text sections flagged by the National Council of Nonprofits are the “core of a major tax reconciliation package.” Many of these provisions “if enacted, could have a significant impact on nonprofit organizations nationwide and the people they serve.”

They include:

- The Treasury Secretary is given “unprecedented authority to unilaterally designate a nonprofit as a ‘terrorist supporting organization,’ with no evidence provided and no due process, and strip them of their 501(c)3 status. This language is similar to last year’s (unsuccessful) HR 9495.”
- Tax increases “on foundation endowments, diverting resources away from essential services, undermining the ability of nonprofits to meet needs in their communities, and putting greater strain on government”; and
- Revival of the highly unpopular tax on transportation and parking benefits for nonprofits, including the special carve out for religious organizations.

On the other hand, NCN asks nonprofits and their allies to “support and expand tax incentives for charitable giving. Congress should include in the tax reconciliation bill the Charitable Act, introduced by Sen. Lankford (R-OK) and Rep. Moore (R-UT), to create a non-itemizer tax incentive for charitable donations to nonprofit organizations. See NCN’s one pager on the Charitable Act and fact sheet on the nonprofit sector for more information.”

Conclusion

When the Energy and Commerce Committee sections of tax bill are scheduled for markup, we’ll have more to say about its provisions, including the central ones that “would gut Medicaid, exclude certain low income families from the Child tax Credit, and cut food assistance to hungry families.”

In particular, we’ll review the many objections to a keystone of the GOP plan to slash Medicaid benefits; namely, imposing a “work requirement” for adult beneficiaries. We’ve discussed this topic several times in years past. It’s a terrible idea including – most particularly – for the local nonprofits that will suddenly be flooded with unenthusiastic, if not hostile, “volunteers.” See *Mandatory Volunteerism: A Bad Idea All Around* (March 15, 2018) and *Mandatory Volunteerism: Still, a Bad Idea* (May 11, 2023).

– Linda J. Rosenthal, J.D., FPLG Information & Research Director