

**JEAN SCHMIDT**

MEMBER OF CONGRESS  
SECOND DISTRICT, OHIO

TRANSPORTATION AND  
INFRASTRUCTURE COMMITTEE  
AGRICULTURE COMMITTEE  
GOVERNMENT REFORM  
COMMITTEE

**Congress of the United States**

**House of Representatives**

Washington, DC 20515-3502

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238 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-3164  
(800) 784-6366

8044 MONTGOMERY ROAD  
CINCINNATI, OH 45236  
(513) 791-0381

601 CHILlicothe STREET  
PORTSMOUTH, OH 45662  
(740) 354-1440  
(877) 354-1440

[www.house.gov/schmidt](http://www.house.gov/schmidt)  
[jeanschmidt@mail.house.gov](mailto:jeanschmidt@mail.house.gov)

The Honorable Charles Grassley  
The Honorable Max Baucus  
The Honorable John Kyl

The Honorable William Thomas  
The Honorable Charles Rangel  
The Honorable Jim McCrery  
The Honorable Dave Camp  
The Honorable Fortney "Pete" Stark

Dear Conferees:

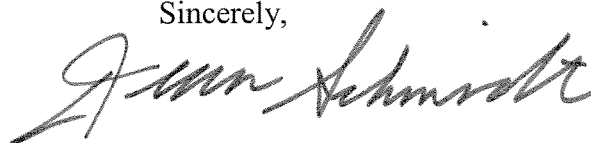
As you begin the House-Senate conference on the tax reconciliation legislation, I write to communicate the views of several constituents in the Greater Cincinnati, Ohio area who are involved with private foundations regarding the charitable reform provisions in S. 2020. In particular, they are concerned that the excise tax increase on certain income of private foundations and the elimination of private foundation grants to supporting organizations could discourage many charitable activities that our communities have come to depend upon.

I understand that Section 322 of S. 2020 would expand the definition of "capital gain net income" to include gains from the disposition of all assets that produce investment income. Importantly, my constituents believe that this provision would mean less money would be available to charities to serve their communities.

I am told that Section 345 of Section 2020 would eliminate the ability of private foundations to offer grants or make donations to supporting organizations. As you know, many of these organizations are sustained completely by private foundations, and this change would severely impact their fundraising ability.

I hope you will consider these comments within all applicable laws and regulations. If I can provide further information to you, please let me know.

Sincerely,



Jean Schmidt