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FOR IMMEDIATE RELEASE

California Nonprofits Call for Inclusive Tax Relief for Nonprofit Employers

SACRAMENTO - Eighteen leading nonprofits - including several regional and statewide associations of nonprofits - from throughout the state are calling on Governor Newsom and state legislative and budget leaders to enact meaningful and accessible tax relief for nonprofits as part of California’s ongoing COVID recovery programs.

"One in every 14 California jobs is at a nonprofit," commented Jan Masaoka, CEO of the California Association of Nonprofits (CalNonprofits). "Business employers are pursuing tax relief to support their compliance with the new sick leave requirements, and nonprofit employers must be included."

Senate Bill 114 requires employers with more than 25 employees to provide five additional paid sick days for employees who contract COVID or are caring for family members who are sick with the virus. The bill, enacted in February, did not pass with an accompanying relief package to offset costs imposed on small businesses and nonprofits. It covers the period from January 1 through September 30, 2022. Lawmakers have spoken of a desire to support small businesses and nonprofits seeking to comply.

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“Community health centers (CHCs) have been on the frontlines of the pandemic and have a long-standing commitment to their workforce,” said Andie Martinez Patterson, Senior Vice President of California Health+ Advocates. “When a CHC has an employee out due to COVID, the health center has to spend more on contingent staff to avoid canceling appointments and extending wait times. We appreciate the state’s new mandatory extra sick pay, but we need help paying for it.”

Ashley McCumber, president of Meals on Wheels California added, "We support the policy of providing additional leave to allow our employees to take care of themselves and their families if exposed or infected with COVID. But our workforce and resources are very strained even as demand for our services climbs. We need the state’s assistance, and it's crucial for nonprofits that tax relief comes through payroll tax credits (not income tax credits), just as the Employee Retention Tax Credit does.”

Nonprofits throughout California need help to prevent interrupting services to the millions of Californians who rely on them everyday for healthcare, food, preschool, disabilities support, and more. This theme was struck in last month’s Joint Hearing of the Senate and Assembly Select Committees on the Nonprofit Sector.

“We relied on nonprofits to get us through this recent pandemic. They were here for us and now it’s time that we are here for them. Nonprofits work around the clock to support the needs of their communities and provide critical services,” said Assembly Committee Chair Luz Rivas during the February 17 hearing. “Since nonprofits are the backbone of our communities, it is essential that we provide them with the funds and support their needs so they can weather any future storms.”

"We know the value [nonprofits] bring to enhancing the quality of life, keeping communities safe, and helping us reach our goals," commented Senate Committee Chair Monique Limón during the hearing. "We have to be able to help our nonprofits survive."

Nonprofits signed on to the letter sent to Governor Newsom and state leaders on March 11 and include: the California Association of Nonprofits (CalNonprofits), United Ways of California, California Health+ Advocates, Community Health Partnership, Health Alliance of Northern California (HANC), North Coast Clinics Network (NCCN), California Council of Community Behavioral Health Agencies, Community Clinic Association of Los Angeles County (CCALAC), Mental Health America of California, Health Center Partners of Southern California, California Association of Food Banks, California Association of Social Rehabilitation Agencies, Inland Empire Community Collaborative, California Association of Alcohol and Drug Program Executives, Inc., Leadership Counsel for Justice and Accountability, California Alliance of Child and Family Services, and California ReLeaf.

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