

# Gardner, Peters Introduce Legislation to Encourage Rural Investment

**Washington, DC** – Today, Senator Cory Gardner (R-CO) joined with Senator Gary Peters (D-MI) to introduce the Philanthropic Facilitation Act (PFA). This legislation reforms the approval process for charitable investments so philanthropic organizations can more easily invest in community improvement and job creation, boosting economic growth in both rural and urban areas.

Current law stipulates that private foundations must make a certain amount of charitable distributions in order to keep their tax-preferred status. Commonly, those distributions come in the form of grants to not-for-profit organizations. Program-Related Investments (PRIs), which are investments in for-profit companies undertaking a charitable activity, can also count towards a private foundation's annual charitable distributions, but are often ignored due to a confusing certification process.

This legislation introduced by Gardner and Peters streamlines the process for Internal Revenue Service (IRS) rulings on whether a loan or an investment by a philanthropic organization can be considered a PRI, and therefore count towards yearly charitable distributions. This legislation makes it easier for organizations to invest in a given entity by simplifying the process and forcing the IRS to make a decision within 120 days.

“Encouraging investment in both rural and urban settings is vital to growing our economy and creating jobs. The Philanthropic Facilitation Act benefits rural economies in particular by cutting red tape and removing barriers between philanthropists and small businesses, ultimately leading to more job creation,” **said Gardner**. “Private charities are more than willing to invest in and grow the economy but are too often deterred by government bureaucracy. Simply put, it's often too hard for philanthropists to identify qualified recipients for their charitable dollars. This legislation is a common-sense solution that gets government out of the way and encourages more investment where it's needed most.”

“Charitable foundations are playing a significant role in the economic recovery of cities across Michigan by branching out into investment in economic development,” **said Peters**. “This legislation will encourage philanthropic investments in our hardest hit urban and rural areas across the country to help organizations grow, create new jobs and continue giving back to our communities. I'm honored to work with Senator Gardner on this commonsense measure to help streamline the process for charitable foundations so they can expand the ways they serve our communities.”