

Dear Representative:

I am writing because I am concerned that Congress may soon consider legislation to raise taxes on 89 million credit union members in the United States. **I hope you will oppose any legislation that raises taxes on credit union members – and discourage your colleagues on the House Ways and Means Committee from taking such a devastating step.** More harm than good would come from taxing credit unions.

Elimination of the credit union tax exempt status means taxes will be raised on 89 million Americans. It will also mean the end of the credit union movement as we know it. Without credit unions, competition will cease to exist, allowing banks to increase their fees and loan rates. Studies have shown that consumers save \$6.3 billion a year – about \$150 per household – by using a credit union instead of a bank. And bank customers benefit as well – to the tune \$4.3 billion annually on loan and savings business – by the existence of credit unions. This is all money that stays in our local community – and would disappear if credit unions are taxed.

In granting the tax exempt status to credit unions in 1937, Congress recognized that credit unions are mutual, cooperative organizations operated entirely by and for their members. Today, credit unions remain structurally the same – they are still not-for-profit, democratic, financial cooperatives, owned by their members. Credit unions' boards of directors serve as unpaid volunteers, elected by members. Earnings that credit union make are returned to their members in the form of lower rates on loans, higher rates of return on deposits and dividends, which are subject to personal income tax.

Unlike banks, credit unions have a social mission to provide service to people of modest means as part of their member base. They promote the well being of their members, especially those of modest means, through their service, pricing, financial literacy programs, affordable housing initiatives, and other efforts to reach members in underserved areas.

A lot has changed since 1937, but the basic structure of the credit union remains the same. They are still not-for-profit cooperatives and should not be subject to the corporate income tax. Please oppose all efforts to tax credit unions.

Sincerely,