

Frequently Asked Questions (F.A.Q.) About CUNA's "Don't Tax My Credit Union" Campaign

Q: Tell me about this "Don't Tax My Credit Union" campaign CUNA has launched.

A: Our message to credit unions is simple: now is the time to activate your membership in defense of the tax exemption.

A tax reform bill hasn't been introduced yet -- but it is being written, likely as you read this.

CUNA's best legislative intelligence confirms what the press increasingly has been reporting: both Houses of Congress are considering possible legislation to reform the U.S. tax code.

It appears lawmakers are considering a "blank piece of paper" approach—under that scenario, all exemptions are removed from the tax code and Congress starts from scratch to write a new tax code. If Congress goes down that road, the credit union tax status is gone and our job is to proactively advocate for its inclusion in the new tax code. It is also important to note that a consequence of this approach is that the credit union tax status must not only compete against banker opposition, but with the more than 400 other industries that enjoy special status under the current tax code.

That's why we're launching this campaign right now - we want Congress to hear at the outset of the tax reform debate that credit unions are tax exempt because they're not-for-profit, because they return benefits to members, because members are owners. So a tax on credit unions is just another tax on 96 million Americans.

Our message to Congress couldn't be simpler: [Don't tax my credit union!](#)

Q: But if there isn't a pending vote or even a bill introduced yet, why now? Why not wait until the action really heats up in Washington?

A: Because whatever gets drafted now, whatever gets put in at the beginning, will be that much harder to take out later.

There may never be an up-or-down, standalone vote on the credit union tax status. If credit unions are taxed, it will be as part of a larger, comprehensive bill with a lot of provisions and likely a lot of Congressional support. That is why we think it is so much better to not be considered in the first place, and why we want a strong show of grassroots right now.

Even if a bill is introduced but isn't passed into law, that bill, and whatever is in it, will have a much greater likelihood of becoming a starting point for future tax reform discussions. So, we want to stop any discussion of CU taxation right off the bat.

Q: We've heard some say that tax reform can help us reduce the deficit and pay down our national debt. How does taxing credit unions fit into that?

A: It doesn't make sense at all to tax credit unions to pay down the national debt. For every \$1 in new credit union taxes, the government wipes out \$10 in benefits to credit union members. That not only

hurts the U.S. economy to the tune of \$6 - \$10 billion a year, it also ends up raising taxes on the working families and small businesses that rely on credit unions every day.

Q: So are the banks the principal drivers behind all this?

A: We've certainly heard that the bank trade associations are whispering in Congress' ear about taxing credit unions. They would love to see consumer choice and competition eliminated from the market place, and taxing credit unions would do just that.

But consider the “blank sheet of paper” approach to tax reform. If every single tax preference is wiped out of the code at once, and there is then a massive fight to get individual preferences back in, our real challenge isn't the banks. It's getting heard above the din of the more than 400 industries making noise about tax reform.

That is why it is so important to deliver a massive grassroots response. We aren't just competing with the banks here. We're competing with everyone else out there for Congress' attention.

Q: So you mean we need an H.R. 1151-style response.

A: We need a much, much bigger response than we had for H.R. 1151. In fact, we are not even sure a response at the level we had during the H.R. 1151 fight would get the job done today.

The world has changed a great deal since 1998. The ability of groups and industries to use social media and the Internet to deliver hundreds of thousands of contacts has grown exponentially. Moreover, the fight over H.R. 1151 was just us versus the banks. With comprehensive tax reform, we are up against hundreds of interest groups and industries, many with much deeper pockets than we have. So we really have to activate our grassroots and our credit union members in a way we never have before.

Q: So how do we do that? What are CUNA and the leagues asking credit unions to do?

A: We have launched a national action alert and we need every credit union in the country to push it out to their members. We need to engage not just our employees and volunteers, but the 96 million Americans who belong to credit unions. That gives us the best chance for success in this fight.

To make that easier, we have developed a number of tools for credit unions:

- We have produced a video that explains the entire issue and the need for action in less than two minutes. You can see it on our new campaign website - www.DontTaxMyCreditUnion.org.
- We have a Grassroots Action Center up and running at the website, where credit union members can take action and send an email to their Representatives and Senators.
- We have launched a toll-free number for credit union activists to call their Members of Congress - 877-642-4223.

We cannot stress enough how critical it is for credit unions to push the video, website and toll-free number out to their members.

Q: Okay, I can do that. But where do I begin? How should I share it with my credit unions' members?

A: We have tried to make that easy, too. You can find a [Tax Advocacy Toolkit](#) at www.cuna.org, where you'll find everything from a [sample email](#) to CU members, to [sample newsletter articles](#), to [graphics](#) to download if you want to link to the campaign site on your own website.

Our goal with the Toolkit is to make it as easy as possible for credit unions to activate their membership. All our research tells us that credit union members love their credit union, and will activate to protect it—if they understand the credit union difference and if we ask them to join our campaign. So the Toolkit is about giving credit unions the tools they need to have that conversation with their members.

And the best tools we have are the [video](#) and the website, www.DontTaxMyCreditUnion.org. Both were designed with research-backed messaging to educate credit union members and the public on just how critical this issue is how and how they can help.

We know that if we get that video and website in front of as many credit union members as possible, we'll be able to generate the kind of response we need for Capitol Hill to hear to leave credit unions alone.

Q: What about social media? Is there a role to play there?

A: Absolutely. While our primary goal is to generate as many contacts into Congress as possible, you can't ignore the potential of social media to drive attention and create buzz for our campaign.

We have set up a new "[CUNA Advocacy](#)" Facebook page and a Twitter account, [@CUNAadvocacy](#). We encourage everyone to follow both of those feeds for the latest updates on the campaign.

Beyond just providing updates, though, we want credit unions to join the conversation and share the CU difference with the public on social media. So we're using [#DontTaxMyCU](#) on Twitter, and asking all credit unions to use it when posting about how they are serving their members and impacting their communities. The more that message gets out there—that credit unions are different and that difference is worth protecting—the better shot we will have at winning this war.

Q: What else does CUNA have planned?

A: In the very near future we'll be rolling out an advocacy smartphone app, so credit union advocates can keep informed on the latest developments. You'll even be able to click on a button and be patched directly into your Congressman's or Senator's office so you can tell him or her "Don't Tax My Credit Union."

We are also going to be working the earned media angle hard - telling the press and blogosphere about the credit union difference, the benefits we provide to members, and how those are threatened by new taxes on credit unions.

But we need credit unions to do that, too: share your story, in your own words, with your local media. Share what you are doing every day to serve your members, and how taxing your credit union imperils that.

Q: Any last thoughts?

A: If you do nothing else, please go to www.DontTaxMyCreditUnion.org and send a message to your Congressman and Senators. Then share that website with your credit union's members and ask that they do the same.