

Frequently Asked Questions

Q: What is the “Don't Tax My Credit Union” campaign about?

A: Now is the time to support the credit union tax exemption.

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

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.

CUNA wants 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.

The message to Congress couldn't be simpler: Don't tax my credit union!

Q: What's the latest update on the tax reform bill?

A: The release of an “options paper” by the Senate Finance Committee that mentions, in plain black and white, the elimination of the credit union tax exemption as one option for tax reform.

This is clearly a wake-up call for the 96 million Americans who, like you, love their credit unions. It is critical that you urge Congress to leave the credit union tax status alone.

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 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: Banks 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. Credit unions aren't just competing with the banks here. They are competing with everyone else out there for Congress' attention.

Q: What are credit unions being asked to do?

A: CUNA has launched a national action alert and needs every credit union in the country to inform their members. Credit unions need to engage not just their employees and volunteers, but the 96 million Americans who belong to credit unions. That gives credit unions the best chance for success in this fight.

Q: If the tax reform bill passes, how will it affect me? How will it affect GCS?

A: These taxes would significantly affect how much you pay for credit union loans and the dividends you earn on credit union savings.

GCS pays every tax banks pay, except one: the corporate income tax. And that's because all credit unions are not-for-profit cooperatives that are owned by their members, consumers like you. If taxed, it's unlikely that GCS members could continue to receive lower rates on loans, higher savings return, and low fees.

Q: How can I help?

A: Send a strong message to Congress: “**Don't Tax My Credit Union.**”

- Visit www.DontTaxMyCreditUnion.org.
Once you're on the website, you simply need to **click the icon, “Take Action”** which allows you to send a letter to your Senators and Member of Congress.
- **Call the toll-free number 877-642-4223** to tell Congress “Don't Tax My Credit Union!”
- **Download the CUNA Advocacy app** in the Apple App store or Google Play store
- Follow CUNA on Twitter **@CUNAadvocacy** using hashtag #DontTaxMyCU
- Like CUNA Advocacy on Facebook at **Facebook.com/CUNAadvocacy**