

Specific Talking Points on our Tax Status

ALL Members of the House of Representatives

Your message should focus on our tax exemption and ask them to oppose the taxation of credit unions in any form, including the addition of credit unions to any budget reconciliation bill. A few talking points follow:

- A tax on credit unions is a tax on 87 Million Americans.
- Those who want to tax credit unions really want to put us out of business. Taxation would fundamentally alter and destroy the credit union system as we know it.
- Do not buy into the banker-driven argument that some credit unions should be taxed. Credit unions of all sizes are still credit unions. (See attached document re: size of credit union)
- Ask your Representative to talk to their colleagues on the Ways & Means Committee and House Leadership about the importance of our tax-status and ask them to keep it safe.
- **Message for Republican Members:** While this Congress has fought for tax cuts to stimulate the economy, taxing credit unions flies in the face of this policy.

House Ways & Means and Budget Committee Members

Please use the above talking points plus the following:

- Studies have shown that consumers save \$6.3 billion a year by using a credit union instead of a bank.
- Bank customers benefit by having credit unions in the marketplace. Additional studies show bank customers saved at least \$4.3 billion annually on the loan and savings business they did with banks due to the effects of credit union competition.
- Oppose any notion to eliminate our tax-exempt status.

TAX CREDIT UNIONS? IT DOESN'T ADD UP	
Estimated annual increase in federal income tax revenue arising from credit union taxation (a direct tax on 87 million credit union member-owners)	+ \$1.5 billion
Estimated annual decline in credit union member benefits arising from change in tax status and subsequent operational changes ¹	- \$6.3 billion
Estimated annual decline in bank customer benefits arising from greatly reduced influence of credit union competition ²	- \$4.3 billion
Net annual economic impact of credit union taxation	- \$9.1 billion

¹ Hampel, Bill and Schenk, Mike, CUNA Research & Policy Analysis. "The Benefits of Credit Union Membership". http://www.cuna.org/member/download/whpaper_mmbbrshp.pdf

² Feinberg, Robert, M. American University. "An Analysis of the Benefits of Credit Unions to Bank Loan Customers". September 2004. http://www.cuna.org/member/download/ba_benefits.pdf. Tokle, Robert J., Idaho State University. "An Estimate of the Influence of Credit Unions on Bank CD and Money Market Deposits in the U.S.". http://www.cuna.org/member/download/ba_influence.pdf.