Credit unions are member-owned and democratically controlled financial institutions that return earnings to our members. Credit unions move the economy forward one member at a time. Credit unions are exempt from federal income tax because of our not-for-profit structure and mission to provide affordable financial services for our 115 million members nationwide.

1. Not-for-profit, member-owned and member-directed

Credit unions provide financial services focused on the needs of members and their communities, rather than maximizing profits for outside investors and Wall Street.

2. Providing value to local communities

Like banks, credit unions are insured and regulated. Unlike banks, we aren’t motivated by shareholder profits. The money credit unions earn stays with our members. The value of credit unions extends beyond the $12 billion saved directly by our members. Credit unions provide more than $4 billion in indirect consumer benefits to local connections, especially in underserved areas that often have no other affordable option for financial services.

Where does the money go?

Providing value to local communities

Credit unions earn our tax status every day through our service to members and communities. Credit unions annually contribute more than $17 billion to federal, state and local taxes. Credit union members pay over $1.5 trillion in income taxes annually. Imposing an income tax on credit unions would raise enough revenue to run the government for only 4 hours.

3. Taxed differently because we’re different

Credit unions own our tax status every day through our service to members and communities.

Credit unions annually contribute more than $17 billion to federal, state and local taxes. Credit union members pay over $1.5 trillion in income taxes annually. Imposing an income tax on credit unions would raise enough revenue to run the government for only 4 hours.

Fact:

Banks got $30 billion in tax breaks from 2017 tax changes.

Higher savings return

Lower loan rates

Financial literacy education

Fewer fees

Easier access to credit

Credit unions saved members $12 billion annually.

Credit unions provided more than $5 billion in indirect benefits annually.

2018 Statistics, Source: DataTrac

While bank profits go to just a few shareholders, Credit union net income is shared with all members.

Congress gave credit unions our mission. Now, we serve 115 million Americans and their families. Protect the credit union tax status.

THE BOTTOM LINE