

Abstract

This comprehensive analysis examines critical nonprofit developments from June 23-30, 2025, highlighting the Senate Finance Committee's release of revised tax legislation affecting charitable giving incentives, federal executive actions targeting tax-exempt organizations, and evolving regulatory compliance requirements. Key developments include Senate modifications to the "One Big Beautiful Bill" providing complete relief from proposed foundation tax increases while creating new charitable deduction floors for both individual and corporate donors, ongoing Senate deliberations targeting July passage through reconciliation procedures, and state-level policy responses to federal changes. The analysis covers artificial intelligence adoption opportunities, human resources regulatory shifts affecting nonprofit operations, and other current and emerging developments. Organizations face complex decisions navigating tax policy changes, maintaining mission-critical services amid funding uncertainties, and adapting to new technological capabilities while ensuring compliance with evolving federal and state requirements.

June 30, 2025 Navigator News Update: Senate Advances Tax Reform with Nonprofit Relief as Passage Timeline Extends

From Nonprofit Management Navigator

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Introduction

Federal executive branch developments continue shaping the nonprofit landscape through the Senate Finance Committee's release of revised tax reconciliation legislation affecting charitable giving incentives and foundation excise taxes. The committee's modifications to the "One Big Beautiful Bill" eliminate proposed foundation tax increases entirely while implementing new floors on both individual and corporate charitable deductions that could affect donor behavior and organizational revenue streams. With Senate Republicans targeting passage through reconciliation procedures but facing legislative hurdles that may extend the timeline beyond their July 4 deadline, these developments, combined with ongoing implementation of executive orders affecting federal grant administration, new IRS leadership transitions, and other emerging requirements, underscore the complex regulatory environment facing tax-exempt organizations as they navigate unprecedented policy changes while maintaining essential community services and adapting to evolving compliance expectations.

Nonprofit News

Senate Tax Reform Advances with Enhanced Nonprofit Relief The Senate Finance Committee released revised tax reconciliation legislation that completely eliminates proposed increases to private foundation excise taxes while introducing charitable deduction floors affecting both individual and corporate donors. The Senate version removes the foundation tax hikes proposed in the House bill entirely, while implementing a 0.5% floor on charitable deductions for itemizing individual taxpayers and a 1% floor on charitable deductions for corporations. Senate leadership is targeting a floor vote by July 4, though multiple Republican senators have expressed concerns about various provisions, potentially extending the timeline into July or August. The modifications provide significant relief for foundations while creating new donation thresholds that nonprofit organizations must consider in their fundraising strategies and donor stewardship programs. Source: [Steptoe](#)

Google for Nonprofits Announces Expansion Google for Nonprofits announced expansion to over 100 additional countries while launching more than 10 new artificial intelligence features at no cost. The expansion includes NotebookLM's Audio Overviews, Gemini's Deep Research capabilities, and enhanced Workspace for Nonprofits supporting up to 2,000 employees. Organizations report 180% increased usage of Gemini app, with tools saving significant time on content programming and research projects. Source: [Google Blog](#)

Nationwide Injunction Preventing Freezing Funds A federal court issued a nationwide preliminary injunction preventing the administration from freezing funding under the Inflation Reduction Act and Infrastructure Investment and Jobs Act. The ruling came in response to a lawsuit filed by National Council of Nonprofits and member organizations, protecting funding for lead reduction in schools, weatherization programs, and environmental conservation projects affecting disadvantaged communities. Source: [Utah Nonprofits Association](#)

Study Shows DAF Donations Outpacing Other Methods New research indicates donor-advised fund contributions are growing faster than traditional giving methods, with size of DAF donations increasing significantly compared to direct charitable contributions. This trend suggests shifting donor preferences toward centralized giving vehicles and highlights importance for nonprofits to develop relationships with DAF sponsors and understand emerging philanthropic distribution channels for sustainable revenue development. Source: [The NonProfit Times](#)

LGBTQ+ Nonprofits Report Increased Service Demands Nonprofit leaders serving LGBTQ+ communities report heightened needs among community members while expressing concerns about adequate funding and organizational capacity. The findings highlight growing service gaps as organizations struggle to meet increased demand for mental health support, legal services, and community programming amid changing federal policies affecting LGBTQ+ protections and rights. Source: [Nonprofit Quarterly](#)

Nonprofits Report Cash Reserves at Dangerous Levels Survey data indicates nonprofit organizations maintain cash reserves at levels considered financially dangerous for operational sustainability. Low liquidity positions threaten organizations' ability to weather funding delays, economic downturns, or unexpected expenses, highlighting critical need for improved financial

management and emergency fund development strategies across the sector. Source: [The NonProfit Times](#)

Federal Tax Legislation Creates Non-Itemizer Charitable Deduction Congressional tax reform proposals include provisions creating permanent non-itemizer charitable deductions of \$1,000 for individuals and \$2,000 for married couples filing jointly. The Senate measure provides significantly higher deduction amounts than the House version (\$150 for individuals, \$300 for joint filers) and makes the deduction permanent rather than temporary. The measure would apply regardless of whether taxpayers itemize deductions, potentially expanding the donor base and increasing charitable giving incentives. Source: [Council on Foundations](#)

Multiple Juneteenth Festivals Face Corporate Sponsor Withdrawals Multiple Juneteenth festivals across the country experienced major corporate sponsor withdrawals in 2025, forcing organizations to significantly reduce programming or risk cancellation. Denver's festival shortened from two days to one day after losing twelve major sponsors, while San Diego and Atlanta celebrations faced similar funding challenges, highlighting broader corporate giving pattern shifts affecting cultural and community-focused nonprofits. Source: [Chronicle of Philanthropy](#)

Federal Regulatory Developments

New IRS Commissioner Billy Long Sworn In Billy Long was sworn in as the 51st Commissioner of the Internal Revenue Service on June 16, following Senate confirmation on June 12. Long's appointment signals potential shifts in IRS enforcement priorities and tax-exempt organization oversight, requiring nonprofits to monitor policy changes affecting exempt status determinations, compliance requirements, and examination procedures under new leadership. Source: [IRS News Release IR-2025-70](#)

Executive Orders Reshape Federal Grant Administration President Trump issued four executive orders affecting regulatory processes and grant administration, implementing changes to procurement processes and corresponding regulations. While primarily targeting for-profit businesses, these orders affect nonprofit operations through modified grants programming, administration requirements, and funding streams, creating uncertainty about future grant availability and compliance expectations. Source: [Utah Nonprofits Association](#)

DEI Program Termination Orders Face Legal Challenges Federal courts continue blocking executive orders attempting to terminate diversity, equity, and inclusion programs in federal agencies and grant-funded activities. Legal challenges filed by multiple state attorneys general and nonprofit organizations seek to prevent implementation of orders that would eliminate DEI positions, grants, and policies affecting nonprofit partners working on equity-focused initiatives. Source: [Minnesota Council of Nonprofits](#)

FEMA Review Council Established for Disaster Response Executive order creates Federal Emergency Management Agency Review Council requiring regular meetings and stakeholder input from nonprofit organizations. The council will evaluate FEMA's disaster response since 2020 and provide recommendations to the President, potentially affecting nonprofit disaster

relief partnerships and emergency response coordination procedures. Source: [Minnesota Council of Nonprofits](#)

Federal Human Resources News

DOL Issues AI Workplace Guidance for Employers Department of Labor released updated guidance emphasizing responsible artificial intelligence implementation in workplace settings. The guidance stresses human oversight requirements, transparency with employees about AI usage, and continued application of existing labor laws when AI systems are involved in employment decisions, affecting nonprofit organizations implementing AI tools for HR functions. Source: [Nextep](#)

New Independent Contractor Analysis Restores Multifactor Test Department of Labor's new final rule rescinds 2021 independent contractor guidance and restores traditional multifactor analysis including profit/loss opportunity, financial investment, work relationship permanence, employer control degree, work essentiality, and worker skill/initiative. This change affects nonprofit organizations using independent contractors, requiring review of worker classifications to avoid compliance violations and associated penalties. Source: [Western Growers Association](#)

EEOC Updates Workplace Harassment Guidelines Equal Employment Opportunity Commission issued enforcement guidance on workplace harassment standards and employer liability under EEO statutes including Title VII and ADA. The updated guidelines provide clarification on harassment prevention requirements and response obligations, requiring nonprofit organizations to review policies and training programs for compliance with current enforcement standards. Source: [Western Growers Association](#)

IRS Developments

Electronic Tax Administration Advisory Committee Issues Recommendations The IRS Electronic Tax Administration Advisory Committee released its 2025 annual report containing 14 recommendations---four to Congress and 10 to the IRS. These recommendations address electronic filing improvements, taxpayer service enhancements, and technology modernization affecting tax-exempt organizations' compliance capabilities and administrative efficiency in meeting federal reporting requirements. Source: [IRS News Release IR-2025-72](#)

IRS Improves Pre-Filing Agreement Program The Internal Revenue Service announced improvements to its Pre-Filing Agreement program providing greater tax certainty for large business and investment transactions. While primarily affecting for-profit entities, these improvements may benefit large nonprofit organizations with complex transactions requiring advance IRS guidance on tax implications and compliance requirements. Source: [IRS News Release IR-2025-69](#)

Digital Asset Reporting Transition Relief Extended Treasury and IRS issued Notice 2025-33 extending and modifying transition relief for brokers required to file Form 1099-DA for digital asset transactions. This relief affects nonprofit organizations holding or transacting in digital

assets, providing additional time to comply with new reporting requirements while systems and procedures are developed for cryptocurrency and digital asset management. Source: [IRS News Release IR-2025-67](#)

Form 8940 Electronic Filing Now Available IRS issued revised Form 8940, Request for Miscellaneous Determination, and instructions allowing electronic filing. This improvement streamlines the process for tax-exempt organizations seeking miscellaneous determinations from the IRS, reducing paper filing requirements and potentially accelerating processing times for determination requests affecting exempt status or operational questions. Source: [IRS Exempt Organizations Update](#)

Energy Credits Online Tool Expands User Access IRS Energy Credits Online tool now allows multiple users registration for entities claiming clean energy credits. This enhancement particularly benefits nonprofit organizations participating in clean energy projects or electing pay provisions under the Inflation Reduction Act, providing continuity of access when personnel changes occur within organizations. Source: [IRS Exempt Organizations Update](#)

Form 990 Dataset Resources Enhanced IRS enhanced Form 990 dataset resources with improved accessibility features including redacted schemas for non-software developers and compiled FAQ document addressing disclosure and dataset concerns. These improvements help nonprofit organizations understand public disclosure requirements and assist researchers, board members, and community stakeholders in accessing and interpreting exempt organization financial information. Source: [IRS Exempt Organizations Update](#)

State Level Nonprofit News

Illinois and New Jersey Advance Comprehensive Grants Reform Carryover bills for comprehensive government grants and contracts reform in Illinois and New Jersey moved forward from previous legislative sessions. These reforms aim to improve relationships between nonprofits and government partners while increasing community impact through streamlined processes, better payment terms, and enhanced accountability measures benefiting both sectors. Source: [National Council of Nonprofits Nonprofit Champion February 24, 2025](#)

California Assembly Bill 488 Charitable Fundraising Regulations California's Assembly Bill 488 introduced new regulations for online charitable fundraising platforms with key provisions taking effect January 1, 2025. Requirements include written consent from recipient charities, donor receipts within five business days, and prompt transmission of donations to intended organizations, affecting nonprofit organizations using online fundraising platforms and requiring compliance monitoring. Source: [Charity Compliance Solutions](#)

21 States Implement Minimum Wage Increases Twenty-one states implemented minimum wage increases with additional significant hikes in 48 cities and counties, primarily in California, Colorado, and Washington. These changes affect nonprofit organizations' labor costs and budget planning while requiring compliance with varying local wage requirements based on organizational locations and potentially increasing operational expenses for service delivery. Source: [Nonprofit Financial Commons](#)

BoardSource CEO Anne Wallestad Announces Stepping Down BoardSource announced that CEO Anne Wallestad will step down from her position in June 2026 after nearly ten years leading the nonprofit governance organization. The leadership transition affects the primary resource organization serving nonprofit boards nationwide, potentially impacting governance training, research, and best practices dissemination during the succession planning and leadership change period. Source: [BoardSource](#)

Association of Fundraising Professionals Hosts Major Conferences AFP concluded its 2025 ICON conference in Seattle featuring over 100 educational panels and networking opportunities for thousands of fundraising professionals globally. The organization continues expanding professional development programming with regional conferences, certification training, and virtual learning opportunities addressing fundraising challenges and emerging industry trends affecting nonprofit revenue generation. Source: [Association of Fundraising Professionals](#)

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