

Tax Corner: IRS Issues Guidance to § 501(c)(3) Organizations on Election Year Activity

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The IRS recently announced that for the 2008 election season, it is engaging in a Political Activities Compliance Initiative (PACI) designed to (1) guide and educate the public and exempt organization community on the laws prohibiting § 501(c)(3) organizations from intervening in political campaigns, and (2) maintain a meaningful enforcement presence in this area. See more information about the Initiative [here](#).

To secure compliance with the ban on political campaign activity by § 501(c)(3) organizations, the IRS is using a number of tools, including news releases, phone forums and written guidance on how the ban applies in various factual situations. In particular, Revenue Ruling 2007-41 and Fact Sheet 2006-17 provide concise guidance and a number of examples.

Impermissible political activities that should be avoided by a § 501(c)(3) organization include:

- Making direct or indirect contributions to a PAC or a candidate's campaign committee (even if otherwise permitted under applicable election laws);
- Endorsing or opposing, directly or indirectly, a candidate for public office;
- Purchasing tickets to political fundraisers;
- Providing non-financial support to a candidate or his or her PAC; and
- Providing mailing lists to a candidate for his or her use.

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Permissible activities, if done correctly, can include:

- Conducting programs to educate voters on issues;
- Inviting candidates to speak at events; and
- Providing or participating in candidate forums.

According to Lois Lerner, IRS Exempt Organizations Division Director, the IRS will pursue cases involving links from a § 501(c)(3) organization's website to an unrelated organization as banned political activity "promoting, encouraging, recommending or otherwise urging viewers to use the link to get information about specific candidates and their positions on specific issues" and that the circumstances surrounding the access to and content reached through the link are key factors. However, linking to a candidate's website by a § 501(c)(3) organization should be acceptable if done in the context of an online voter guide that provides links to each candidate's website. According to Judith E. Kindell, Senior Technical Advisor to the Director of the IRS Exempt Organizations Division, it is also expected that the IRS will clarify that links from a § 501(c)(3) organization's website to a related § 501(c)(4) affiliate will not be investigated as banned political activity.