

IRS Targets Nonprofits' Political Activity

March 2012

As part of its 2012 Work Plan released on February 8, 2012, the Exempt Organization (EO) division of the Internal Revenue Service (IRS) noted that it would be targeting political activity by nonprofits this year.

First, EO will be focusing its "examination resources on serious allegations of impermissible political intervention" using information from the redesigned Form 990, information provided by outside sources, and what EO has learned from past projects on political activity. As a result, nonprofits must have a good handle on what, if any, political activities they may undertake.

Second, EO will work to ensure that nonprofits that permissibly engage in political activity (such as trade associations and 501(c)(4) organizations) properly report their activities on Form 990 and pay any required taxes on Form 1120-POL under Section 527(f) of the Internal Revenue Code.

The IRS' Exempt Organizations 2011 Annual Report and 2012 Work Plan can be found [here](#).

Authors

D. Mark Renaud
Partner
202.719.7405
mrenaud@wiley.law