

New IRS regulations governing parishes and political activity

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With political campaigns in the forefront of the news on a daily basis, we thought it would be good to update you on a recently issued ruling by the IRS.

Parishes are exempt from federal income taxation because they are described in Section 501(c)(3) of the Internal Revenue Code and, therefore, are prohibited from participating or intervening in any political campaign on behalf of (or in opposition to) any candidate for public office, including publishing or distributing statements.

Section 501(c)(3) organizations may, however, engage in non-partisan voter education activities without jeopardizing their tax-exemption, and most Section 501(c)(3) organizations may engage in limited amounts of lobbying activities. Distinguishing between permissible and impermissible activities, therefore, represents an extremely important task for all Section 501(c)(3) organizations that might engage in political activities.

New Guidance

Revenue Ruling 2007-41 is available at [IRS 501\(c\)\(3\) Ruling](#) and provides important guidance to Section 501(c)(3) organizations. First, it provides an overview of the rules regarding political activity, defines key terms such as “candidate” and “voter education,” and references prior Revenue Rulings addressing candidate questionnaires and other matters. Second, it presents and analyzes 21 factual examples, each of which involves a Section 501(c)(3) organization sponsoring or participating in various non-partisan or political activities. These 21 examples address the consequences of the following activities:

- ***Voter Education, Voter Registration, and Get-Out-the-Vote Drives***, including descriptions of permissible and impermissible telephone bank and information booth activities;
- ***Individual Activity by Organization Leaders***, including an analysis of the consequences of certain actions taken by CEOs, presidents, ministers, and directors of 501(c)(3) organizations in their individual, rather than representative, capacities;
- ***Candidate Appearances***, describing situations in which candidates may be invited to speak at a 501(c)(3) organization’s event;
- ***Candidate Appearances Where Speaking or Participating as a Non-Candidate***, analyzing situations where candidates may be invited to speak at a 501(c)(3) organization’s event for a reason other than the candidacy itself (perhaps, for example, because the candidate is a well known expert on a topic of interest to the organization’s members);
- ***Issue Advocacy vs. Political Campaign Activity***, describing situations in which a 501(c)(3) organization may conduct issue advocacy during a political campaign and may or may not be regarded as participating or intervening in the campaign;
- ***Business Activity***, considering whether a 501(c)(3) organization’s sale or rental of its mailing lists, leasing of space, or acceptance of paid political advertising could constitute prohibited participation or intervention in a political campaign; and
- ***Websites***, analyzing situations in which a 501(c)(3) organization’s website and the links it contains to other websites might constitute political activities that jeopardize the organization’s tax-exempt status.