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Senate Judiciary Subcommittee Holds Hearings on Candidate Activity by Section 501(c)(4) Organizations

I had the honor this week of testifying in Washington, D.C., before the Senate Judiciary Subcommittee on Crime and Terrorism. The topic was political campaign activity by 501(c)(4) social welfare organizations that signed IRS tax filings stating that they would not intervene, or had not intervened, in candidate elections.

The point of the hearing was to see whether the (c)(4) officers had made false statements under penalty of perjury on tax returns and could be criminally prosecuted. I explained how difficult this would be under the IRS multi-factor “issue advocacy” rules and its vague “facts and circumstances” approach to judging cases of political intervention. The Chairman, Senator Whitehouse (D-RI), and I discussed whether the “less than primary” amount of political activity permitted for (c)(4) organizations should be reduced to “insubstantial.” Although precise percentages have never been officially set for those concepts, this could lower the limit from 49% to 10%.

My oral testimony appears in the webcast of the hearing on the Senate Judiciary website, along with my full written statement, [here](#).

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Nonprofit Law Matters looks at legal issues in the nonprofit and tax-exempt organizations world. Written by the attorneys and paralegals of Adler & Colvin, it provides updates and analysis regarding philanthropy, charity, and other exempt organization issues.

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