

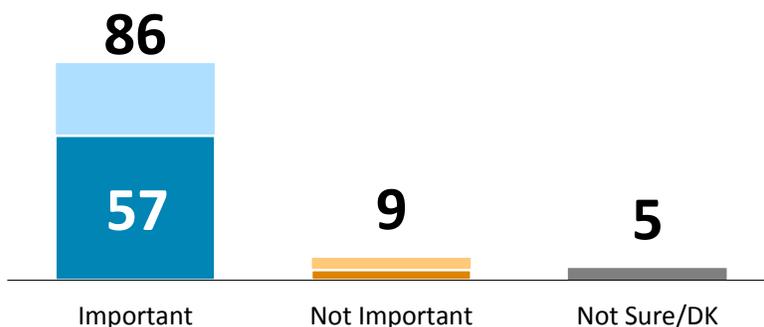
To: Interested Parties
 From: Celinda Lake, David Mermin, Matthew McDermott, and Brittany Stalsburg; Robert Carpenter, Chesapeake Beach Consulting
 Re: Recent research on IRS political rulemaking
 Date: September 30, 2014

Recent survey research of likely November 2014 voters¹ finds voters think having clear rules in place concerning the political activities of non-profit organizations is an important issue. Voters also support a proposal to establish more clear and fair rules and standards. Importantly, voters support the changes by a 2:1 margin even when faced with the opposition’s argument that these rules are a way for the IRS to limit free speech.

Key Research Findings

More than 8 in 10 voters (86%) think it’s important to have clear rules in place concerning the political activities that non-profit organizations can and cannot do, and nearly two-thirds of voters feel that way strongly (57% very important). Establishing clear rules finds overwhelming support on both sides of the political spectrum, with 87% of Democrats (63% very important), 84% of Independents (53% very important), and 88% of Republicans (57% very important) in agreement that clear rules are important.

Voters think clear rules are extremely important



Voters are very concerned about some of the consequences that result from an absence of clear rules. An overwhelming 80% of voters say political operatives, wealthy donors, and organizations abusing and taking advantage of the unclear rules is a problem.² This concern stretches across party lines—88% of Democrats, 84% of Independents, and 72% of Republicans think this is a problem.

¹ Lake Research Partners and Chesapeake Beach Consulting conducted a telephone survey of 800 likely 2014 general election voters nationwide. The survey was conducted from July 26-29, 2014 and the margin of error is +/- 3.5%. This research was conducted on behalf of Public Citizen. Darker graph colors denote intensity.

² Question asked of half the sample: Some people who want to change the way non-profit political activities are regulated have mentioned some problems that come from the lack of clearly defined rules for what is treated as political activity and what is not. I’m going to read you some of these problems. For each, please rate it on a scale

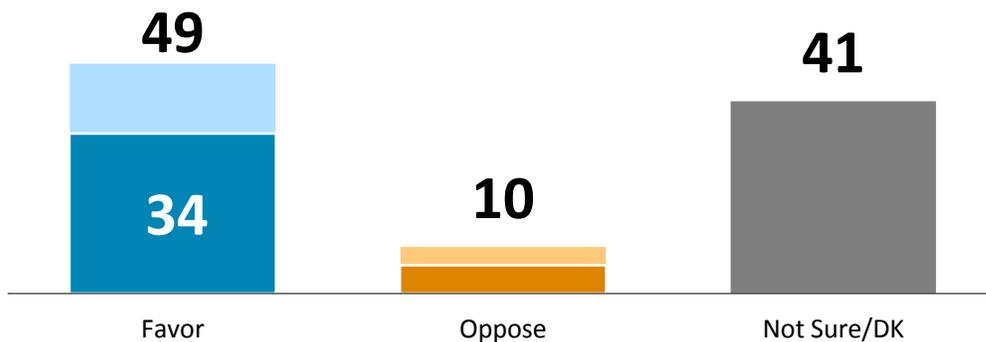
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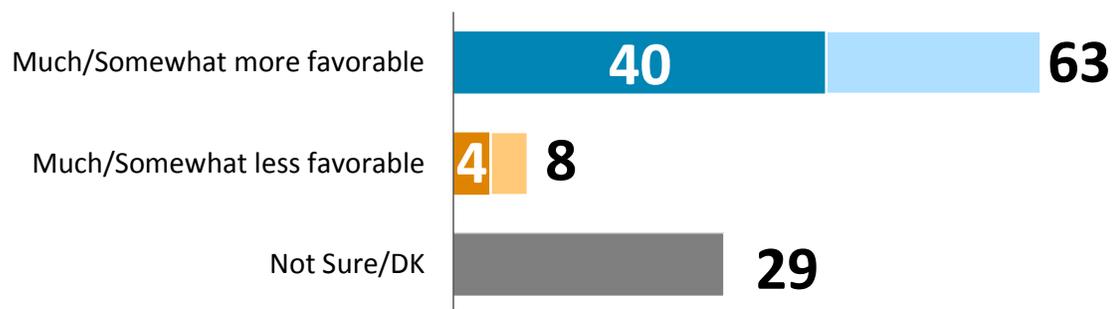
Nearly a majority of voters favor changing the way non-profit organizations' activities are regulated to establish more clear and fair rules for what is counted as political activity.³ Support for these changes is bipartisan, with 54% of Democrats, 50% on Independents, and 49% of Republicans in favor. Importantly, there is a lot of opportunity to define this issue and increase support, as 41% of voters are undecided. Only 10% of voters oppose this change.

Voters support changing the IRS rules



A transparency requirement that would disclose funding sources increases voters' support of this rule change. **Nearly two-thirds of voters (63%) feel more favorable towards new rules that include disclosure**, including 66% of Democrats, 62% of Independents, and 61% of Republicans. Only 8% are less favorable to the inclusion of disclosure.

Voters want disclosure as part of the clear rules proposal



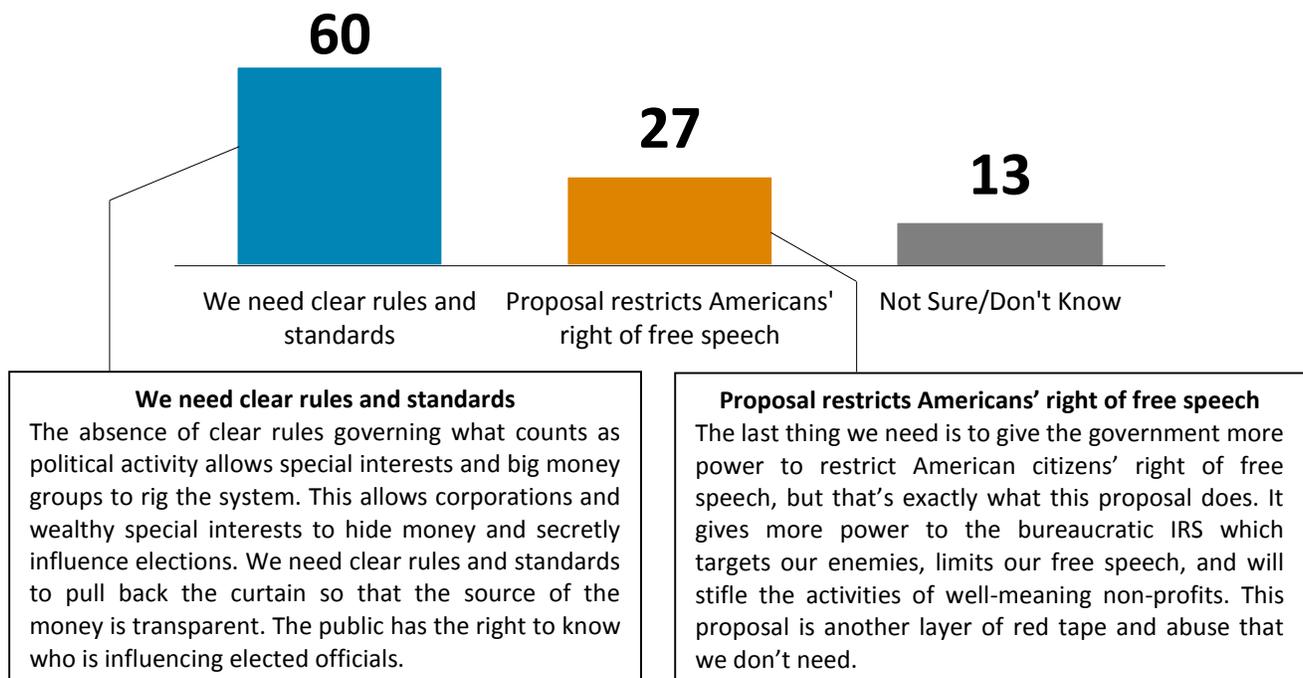
from 0 to 10, where 0 means this doesn't seem like much of a problem at all, and 10 means this seems like a major problem. You can use any number in between. Political operatives, wealthy donors, and organizations abuse and take advantage of the unclear rules.

³ Question text: The [government/Internal Revenue Service] is in charge of regulating what these charities and non-profit organizations are permitted to do when it comes to political activity. Some people have proposed to change the way non-profit organizations' activities are regulated to establish more clear and fair rules for what is counted as political activity. Would you favor or oppose this change or are you not sure? Do you feel that way strongly or not so strongly?

Importantly, when voters hear arguments for and against the proposal to change the way non-profit organizations' activities are regulated, **voters hold strong in their support of the clear rules and standards, and soundly reject the opposition by a 2:1 margin, even though it mentions the IRS and government limiting free speech.**⁴

Six in ten voters support the argument that the absence of clear rules allows special interests and big money groups to rig the system, and that we need clear rules and standards to pull back the curtain so that the source of the money is transparent. Only 27% agree this proposal gives the government and bureaucratic IRS more power to restrict American citizens' right of free speech, or would stifle the activities of well-meaning non-profits.

Voters support the need for clear rules and standards



For more information about this research, please contact Celinda Lake by e-mail (clake@lakeresearch.com) or by phone (202-776-9066).

⁴ Question asked of half the sample: Now I'm going to read you two different statements some people have made about the proposal to change the way non-profit organizations' activities are regulated. Please tell me which statement comes closer to your own views. [ROTATE STATEMENTS]