

Johnson Amendment Repeal Threatens Integrity of Charitable Sector

Among the promises made by Donald Trump during the recent campaign was repeal of the “Johnson Amendment,” the tax law provision that prohibits 501(c)(3) charities, including churches, schools, hospitals and foundations, from supporting or opposing candidates for office.

For more than 60 years, this rule — and another that applies to for-profit businesses — has meant that tax-deductible money cannot be used for partisan politics. It has guaranteed that Americans’ charitable giving will not be channeled into political campaigns. It has helped maintain the independent integrity of our charitable sector. **Without this rule, nonpartisan charities and churches would be open to manipulation for political ends.**

- **Repeal would threaten public faith in the charitable sector.**

Up to now, (c)(3)s were above the political fray, committed to alleviating poverty, ministering to the spirit, curing disease, and addressing other basic human and social needs. Repealing the Johnson Amendment jeopardizes the public’s confidence that their charitable contributions would be used for these universally valued purposes rather than mere partisan politics.

- **Burdensome regulation of (c)(3)s would increase.**

Johnson Amendment repeal would not affect the requirement that charities operate “exclusively” for charitable purposes. The IRS would still have to make judgements about what is (c)(3) electioneering and how much is allowed, and exposure of churches and other charities to intrusive and time-consuming investigations into their daily activities would not change. States concerned about use of charitable funds in politics could impose their own rules, creating a patchwork of difficult-to-follow regulations. And (c)(3)s engaged in electioneering would find themselves subject to federal, state, and local campaign finance law requirements.

- **Churches and charities would be open to manipulation by political actors.**

Repealing the Johnson Amendment would open the floodgates to partisan exploitation of the goodwill and integrity established by (c)(3)s over decades of philanthropic effort. Donors and leaders with political agendas could harm the nonprofit’s mission if electioneering isn’t directed the way they prefer. For example, a donor could withhold a significant donation if a church refuses to support a candidate, or a board could change a charity’s mission based on which candidates they oppose.

- **The IRS would still need a good definition of political activity.**

The IRS is the final arbiter of eligibility for federal tax-exempt status. Even were the Johnson Amendment repealed, the IRS would still be in the business of determining what constitutes political activity and how much 501(c)s can do. Failing to clarify those rules would lead to continued ambiguity, chilling of permissible activity, abuse by political operatives, and likelihood of enforcement problems (as in the recent IRS scandal).

Please oppose any effort to repeal the Johnson Amendment.

You can help by keeping us informed of legislative threats to the Johnson Amendment and supporting efforts to protect nonprofit nonpartisanship and enact better rules for nonprofit political activity.

For more information, please contact epetersoncassin@citizen.org or go to www.brightlinesproject.org