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Contact: Lisa Gilbert (202) 454-5188
Angela Bradbery (202) 588-7741

Most Organizations Support Changes to Rules Governing Nonprofits

Sixty-Seven Percent of Organizations Commenting on the IRS' Proposed Rules Call for the Rulemaking Process to Continue

WASHINGTON, D.C. – Organizations that would be most affected by new rules governing nonprofits are overwhelmingly calling on the IRS to continue the rulemaking process, according to a new analysis by Public Citizen's [Bright Lines Project](#). In fact, 67 percent of the organizational comments favored going ahead with rulemaking.

The commenting organizations spanned the political spectrum, ranging from the National Rifle Association to the League of Women Voters. The vast majority have one thing in common, though: They are encouraging the IRS to change the current, vague test the agency uses to determine how to define political intervention by nonprofit organizations and to produce some brighter line definitions.

The IRS proposed new rules in November that seek to resolve the ambiguity of its “facts and circumstances” regime, which allowed 501(c)(4)s, so-called “social welfare” groups, to spend millions of dollars on elections in 2012 without disclosing their donors or losing their tax-exempt status. The comment period, which closed on Feb. 27, drew a record number of public comments – more than 146,000.

At least 594 organizations from across the political spectrum commented or signed on to comments from other organizations. Even though nearly none of the organizations wished to enact the rules exactly as proposed, 67 percent of those that commented or signed comments encouraged the IRS to stick to the path of this rulemaking and move forward with changing rules governing nonprofit political activity.

“The response to this rulemaking has been overwhelming,” said Lisa Gilbert, director of Public Citizen’s Congress Watch division and manager of the Bright Lines Project. “The vast majority of commenting organizations realize that this rulemaking is an opportunity to fix a system that’s been broken for decades.”

Added Craig Holman, government affairs lobbyist for Public Citizen’s Congress Watch division, “These numbers are enlightening – and contradict the early erroneous news stories that reported widespread opposition to the rulemaking. Though commenting organizations recognize the problems with the proposed rules, they are widely supportive of continuing the process to ensure that better rules are enacted.”

The Bright Lines Project analyzed all the comments submitted to the proposed rulemaking that listed an organization in the field of the same name. After duplicates were eliminated, each comment was reviewed to determine whether the commenting organization supported or opposed continuing the IRS rulemaking process. Each organization that signed a letter from another organization supporting the rulemaking was counted as supportive, while those that signed comments opposing further rulemaking were counted as against the rulemaking.

“The Bright Lines Project has been working for years to create clear, fair rules that would apply to all nonprofits and would encourage nonpartisan civic engagement while removing opportunities for abuse,” Gilbert said. “We agree with the nearly 70 percent of commenting organizations that the rulemaking must continue and that the IRS must enact these important reforms.”

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