



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

October 6, 2016

Via U.S. Mail

Reverend Barry W. Lynn
Americans United for Separation
of Church and State
1901 L Street, NW
Suite 400
Washington, D.C. 20036

Dear Reverend Lynn:

I am responding to your letter dated August 18, 2016, to John A. Koskinen, Commissioner of the Internal Revenue Service. Your letter raised concerns with enforcement of the prohibition against political campaign intervention by churches and requested a meeting with the Commissioner to discuss your concerns. Unfortunately, the Commissioner is unable to meet with you at this time, but he has asked the Office of Chief Counsel to respond to your letter.

Under the Internal Revenue Code (the Code), all section 501(c)(3) organizations are prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office. Contributions to political campaigns or public statements (verbal or written) made by an organization in favor of or in opposition to any candidate for public office violate the prohibition against political campaign intervention activity. Violating this prohibition may result in denial or revocation of tax-exempt status and the imposition of certain excise taxes. Certain other activities or expenditures also may be prohibited depending on the facts and circumstances.

We take our responsibility to administer and ensure compliance with the Code, while respecting the First Amendment and statutory rights of churches, religious organizations, and other taxpayers, very seriously. For cases involving churches, we must comply with section 7611 of the Code, which sets forth certain restrictions applicable to church tax inquiries and examinations. Procedures under section 7611 have been in the Code of Federal Regulations since 1985. As noted in your letter, proposed amendments to these regulations were published in the *Federal Register* in 2009 and provided an opportunity for public comment. Final regulations under section 7611 are on the Department of the Treasury 2016-2017 Priority Guidance Plan (available at <https://www.irs.gov/uac/priority-guidance-plan>). In addition, the Internal Revenue Manual 4.76.7, Church Tax Inquiries and Examinations (updated August 20, 2010) at https://www.irs.gov/irm/part4/irm_04-076-007.html provides guidelines for conducting church tax inquiries and examinations. Publication 1828, Tax Guide for

Churches & Religious Organizations, explains the benefits and responsibilities for these organizations under the federal tax laws.

If you have any questions, please contact Amy F. Giuliano at (202) 317-5800 or me at (202) 317-6000.

Sincerely,

A handwritten signature in cursive script that reads "Victoria A. Judson". The signature is written in black ink and is positioned above the printed name.

Victoria A. Judson
Associate Chief Counsel
Tax Exempt & Government Entities (CC:TEGE)