

Internal Revenue Service

Department of the Treasury

77LR

Washington, DC 20224

Independent Sector
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Person to Contact: Deirdre Dessingue

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Refer Reply to:
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Date:

4 SEP 1980

Dear Sir or Madam:

This is in reply to a letter dated July 2, 1980, submitted by your attorneys on your behalf. The letter requested rulings concerning certain lobbying activities in which you intend to engage.

The information furnished indicates that you have been recognized as an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and that you have been classified as an organization that is not a private foundation under section 509(a)(1) of the Code. Furthermore, you have elected to be subject to the lobbying rules of sections 501(h) and 4911.

You are presently engaged in a variety of activities in support of a particular piece of proposed legislation that might affect the deductibility of contributions to exempt organizations. As part of this ongoing lobbying effort, you intend to report the result of votes on this legislation in Congressional committees, subcommittees and in both Houses of Congress. These votes will be reported in your regularly published newsletter, which is distributed to all members of the organization and to several hundred other individuals and organizations in the United States, all of whom share a direct interest in your ongoing lobbying efforts in support of the particular legislation.

In reporting on votes on this legislation, the newsletter will employ the following format:

- a. A brief description of the background of the particular vote.
- b. A copy of the transcript from the Congressional Record of any comments made by Members of Congress in connection with the vote.

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- c. A copy of the listing printed in the Congressional Record, similar to that used in the listing of co-sponsors, showing the names of those Members of Congress voting in favor of and in opposition to the legislation.
- d. A brief statement urging members of Independent Sector to write letters thanking Members of Congress who voted in support of the legislation and expressing disappointment to those Members who opposed the legislation.

You intend to continue this activity during the Congressional election campaign. You anticipate that at least some of the sponsors of the legislation will be candidates for reelection, and, it is possible that during the course of their campaigns they may advocate passage of the legislation. Furthermore, if the legislation is not passed during the current session of Congress, you intend to continue your lobbying activities during the next Congress.

Finally, you intend to present testimony to the National Platform Committees of both the Democratic and Republican Parties, urging each party to endorse the particular legislation as part of its platform. Any position adopted by the Parties in their platforms in response to this testimony will be reported in your regularly published newsletter.

On the basis of the foregoing facts, you have requested the following rulings:

1. That your lobbying activities in support of the proposed legislation engaged in prior to the beginning of an election campaign, including the reporting in your regularly published newsletter of the results of votes on the legislation in Congressional committees and subcommittees and in both Houses of Congress, does not constitute participation or intervention in a political campaign on behalf of a candidate for public office within the meaning of section 501(c)(3).
2. That your continuation of these lobbying activities, including the reporting of the results of votes on the proposed legislation, during a political campaign in which some of the sponsors of the legislation are candidates for reelection and may advocate passage of

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the legislation as a part of their campaigns, does not constitute participation or intervention in a political campaign on behalf of a candidate for public office within the meaning of section 501(c)(3).

3. That your presentation of testimony in support of the particular legislation to the Platform Committees of the Democratic and Republican Parties, and your reporting in your regularly published newsletter of the responses to this testimony, does not constitute participation or intervention in a political campaign on behalf of a candidate for public office.

Section 501(c)(3) of the Code provides for the exemption from federal income taxation of organizations organized and operated exclusively for religious, charitable, educational, etc., purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

Section 1.501(c)(3)-1(c)(3)(iii) of the Income Tax Regulations provides that activities which constitute participation or intervention in a political campaign on behalf of or in opposition to a candidate include, but are not limited to, the publication or distribution of written statements or the making of oral statements on behalf of or in opposition to such a candidate.

Revenue Ruling 78-248, 1978-1 C.B. 154, provides guidelines as to the types of "voter education" activities which would or would not constitute participation or intervention in a political campaign on behalf or in opposition to any candidate for political office. Whether an organization's activities constitute participation or intervention in a campaign depends on all the facts and circumstances of each case. The ruling provides that certain voter education activities conducted in a non-partisan manner may not constitute prohibited political activity under section 501(c)(3) of the Code; and then provides examples of permissible voter education activities.

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Based on the information and representations submitted, we rule as follows:

1. Your lobbying activities in support of the proposed legislation engaged in prior to the beginning of an election campaign, including the reporting in your regularly published newsletter of the result of votes on the legislation in Congressional committees and subcommittees and in both Houses of Congress, does not constitute participation or intervention in a political campaign on behalf of a candidate for public office within the meaning of section 501(c)(3) of the Code.

2. Your continuation of these lobbying activities, including the reporting of the results of votes on the proposed legislation, during a political campaign in which some of the sponsors of the legislation are candidates for reelection and may advocate passage of the legislation as a part of their campaigns, does not constitute participation or intervention in a political campaign on behalf of a candidate for public office within the meaning of section 501(c)(3) of the Code.

my Your lobbying activities engaged in both prior to and during an election campaign, including the reporting of the result of votes in your regularly published newsletter, are directed solely at producing a legislative result and not at influencing the outcome of any campaign. We reach this conclusion because your activities are directed solely towards supporting a particular piece of proposed legislation that might affect the deductibility of contributions to exempt organizations; because your activities have commenced prior to any election campaign and may only incidentally extend into an election campaign; because your newsletter is not widely distributed among the electorate, but rather is distributed only to members and others interested in the particular legislation, both members and interested parties being primarily composed of organizations rather than individuals; and because your newsletter is regularly published, rather than being published solely to coincide with an election campaign.

3. Your presentation of testimony in support of the particular legislation to the Platform Committees of the Democratic and Republican Parties, and your reporting in your regularly published newsletter of the responses to this testimony does not constitute participation or intervention in a political campaign on behalf of a candidate for public office. These activities are directed towards producing a legislative result, that of generating support for the particular legislation.

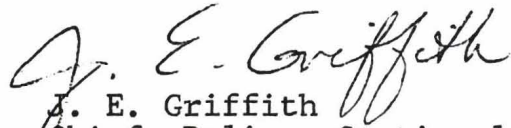
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Regarding the additional ruling you requested, that ruling will be the subject of a separate letter.

We are advising the District Director, Baltimore, which is your key district for exempt organization matters, of this ruling. Please keep a copy of this letter in your permanent records.

Sincerely yours,


J. E. Griffith
Chief, Rulings Section 1
Exempt Organizations
Technical Branch