

A Bid to Ease the Ban on Charity Politicking Splits Nonprofit Leaders

By Suzanne Perry

A proposal by a panel of religious leaders to ease restrictions on partisan political activity by churches and other charities has sparked a debate about how involved nonprofits should get in the sometimes messy world of politics.

The commission, set up to advise Sen. Charles Grassley, a Republican of Iowa, on tax matters affecting religious organizations, proposed in a report last month that clergy members should be able to endorse or criticize political candidates as long as their organizations are not spending money on such activities—and that secular groups should enjoy the same right.

“It is both disturbing and chilling that the federal government regulates the speech of religious and other organizations dedicated to improving the lives of people,” said an introduction to the report by Michael Batts, an accountant who heads the 14-member Commission on Accountability and Policy for Religious Organizations.

But the idea drew fire from critics who said nonprofits should steer clear of divisive and money-tainted political-campaign battles.

“The nonprofit community is, and should remain, the safe, neutral place where citizens can give, volunteer, and experience the services and missions free from ulterior motives,” David L. Thompson, vice president of public policy at the National Council of Nonprofits, wrote in a position paper. Mr. Thompson was one of several nonprofit and religious advisers to the commission who disagreed with its proposal.

Rules Flouted

Religious groups and other charities organized under Section 501(c)(3) of the tax code are now banned from any partisan political activities. The commission said it agreed that those organizations should not be able to donate money to political parties or candidates, but argued that they should be allowed to talk about politics as part of their normal activities.

It said the Internal Revenue Service guidelines on political activity are vague and the rules are enforced inconsistently.

The report notes that the advocacy group Alliance Defending Freedom leads an effort known as Pulpit Freedom Sunday, which encourages churches to violate the IRS ban on political campaigning.

In 2008, more than 30 pastors preached sermons endorsing or opposing candidates according to scriptural criteria. The number of churches participating in the effort has grown each year and stood at more than 1,600 in 2012, the report says. Yet the IRS has taken no enforcement actions against any of them, despite their “in your face” approach, it adds.

African-American churches have also historically engaged heavily in the American political process, the report says, citing a Pew Research Center study showing that 45 percent of black Protestant churchgoers said they hear messages at church favoring a particular candidate.

Religious Opposition

But opponents said further politicization of houses of worship would be a disaster. Six Hindu, Jewish, and Muslim leaders who were advising the commission, made up entirely of Christians, said in a position paper that the idea of “Romney” and “Obama” churches or “Republican” and “Democrat” denominations would harm the charitable world’s much-needed “spirit of comity, tolerance and unity.”

“Imagine conservative billionaires or liberal billionaires offering a denomination millions of dollars if they instruct their churches/clergy to support the candidate that the donor prefers,” they wrote in a position paper.

Diana Aviv, chief executive of Independent Sector, a prominent nonprofit coalition, said in a statement that letting charities endorse political candidates would allow politicians to “use the public’s goodwill towards the charitable sector” to advance their own partisan agendas. .

But the proposal won support from Robert Egger, a charity leader who created CForward, a group that encourages nonprofit employees and supporters to back political candidates with nonprofit-friendly agendas.

Calling Independent Sector’s response “predictable,” he said nonprofits should be able to counter the “unfettered ability” that businesses have to engage in politics and help elect people who create the laws and policies affecting nonprofits and the people they serve.

The role that nonprofits play in the economy, he added in a blog post, should “give us equal rights and political voice as we debate the future.”

Vague Guidelines

In an interview, Mr. Batts, the commission’s head and a former chairman of the Evangelical Council for Financial Accountability, wondered how his critics would improve the current legal confusion. “In order to be constructive, any viewpoint needs to involve a proposed solution to the mess we have now in respect to the administration of the law,” he said

Many nonprofit experts agree that IRS rules on partisan political activity are too vague, which helps explain why the tax agency is in trouble for singling out for special scrutiny applications for tax exemption from certain conservative groups. But nonprofit experts say they want clearer guidance about what charities can and can’t do, rather than an end to the ban on endorsements.

The religious commission was set up by the Evangelical Council for Financial Accountability in 2011 to examine concerns that Mr. Grassley had about possible tax abuses by television evangelists. Its first report, in December, dealt with issues like executive compensation and perks.

A report prepared by Senator Grassley’s staff also suggested repealing or narrowing the rule that bars charities from getting involved in political campaigns, calling it vague, hard to enforce, and without good justification.

Jill Gerber, a spokeswoman for the senator, said he hopes that Congressional discussions about ways to overhaul the tax code will deal with issues affecting tax-exempt organizations, including those identified in the religious commission’s report.