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Political Campaign Activities - Risks to Tax-Exempt Status

Nonprofit Nonpartisanship

In return for its favored tax-status, a 501(c)(3) charitable nonprofit, foundation, or religious organization promises the federal government that it **will not engage in “political campaign activity.”**

The provision, sometimes called the [Johnson Amendment](#), explicitly states that charitable nonprofits may “not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.” Similarly, assets of a charitable nonprofit may not be provided as a campaign contribution to a candidate for public office.

If a charitable nonprofit is found to have engaged in partisan campaign activities, IRS regulations mandate that the charitable nonprofit will lose its tax-exempt status.

- [The Restriction of Political Campaign Intervention by Section 501\(c\)\(3\) Tax-Exempt Organizations](#), Internal Revenue Service

- [How to lose your 501\(c\)\(3\) tax-exempt status \(without really trying\)](#), Internal Revenue Service

Practice Pointers

- This prohibition applies to any and all candidates for federal, state and even local elections. See IRS Regulations, [Section 1.501\(c\)\(3\)-1\(3\) \(iii\)](#).
- The Supreme Court Decision, [Citizens United v. Federal Election Commission](#), does not change how other laws limit election-related activities of charitable nonprofits recognized under Section 501(c)(3).
- If a candidate for public office approaches your nonprofit and asks to speak at a function, what should the response be? “NO” if the candidate plans to talk about their campaign; “Yes” if the candidate only talks about the charitable nonprofit and topics related to the mission, and if other candidates are also invited. Since it’s difficult to “control the message” when a candidate is speaking, many nonprofits avoid the risks involved in order to scrupulously maintain a nonpartisan position.
- Some have observed that “once a candidate, always a candidate;” however, technically an individual who is an incumbent, and has not announced she or he is running for office, is not a “candidate.”
- Organizations with substantial political or lobbying objectives may be recognized as tax-exempt under Code Section 501(c)(4). The rules that apply to 501(c)(4) organizations are different from those that pertain to 501(c)(3)s, and permit 501(c)(4) tax-exempt organizations to engage in substantial lobbying, as long as it is “germane” to the organization’s program, [among other limitations](#). Donations to 501(c)(4) organizations are not tax-deductible.

Lobbying or Legislative Activities

Nonprofits are permitted to and should engage in advocacy. Lobbying and legislative activities, a small subset of advocacy, are not the same as political campaign activity and are treated separately under the law.

Lobbying is: (1) communicating with decision makers (2) about existing legislation and (3) urging a vote for or against.

Engaging in lobbying by charitable nonprofits is permitted so long as the nonprofit does not expend more than an “insubstantial” amount of energy, finances, or other resources towards the lobbying activities. Charitable nonprofits that engage in a “substantial” amount of lobbying may be exposed to IRS penalties (“excise taxes”).

Learn more about safeguards about the amount of lobbying permitted by [taking the 501\(h\) election](#).

- [Political and Lobbying Activities](#), Internal Revenue Service
- [Compliance Guide for 501\(c\)\(3\) Public Charities](#), Internal Revenue Service (pp 3-7)

Voter and Civic Engagement

Charitable nonprofits are permitted to engage in nonpartisan voter registration and voter and civic engagement activities, which are not considered partisan campaign activities or lobbying.

Nonprofits play an important role in helping to educate the public about issues that affect the community and those served, such as through voter education activities and candidates’ forums.

Learn how your nonprofit can safely get involved in voter engagement through the resources available at [NonprofitVOTE](#).

More About Advocacy

- [Protecting the Johnson Amendment and Nonprofit Nonpartisanship](#)
- [Why Should Your Nonprofit Advocate?](#)
- [Letter to Internal Revenue Service on Guidance for Tax-Exempt 501\(c\)\(4\) Social Welfare Organizations](#), National Council of Nonprofits, Feb. 25, 2014.

Additional Resources

- [Election Year Issues](#), Internal Revenue Service
- [501\(c\)\(3\) Tax Guide for Churches & Religious Organizations, IRS Publication 1828](#), Internal Revenue Service
- [Limits on political campaigning for 501c3 nonprofits](#), NOLO

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