

Congress of the United States

Washington, DC 20515

June 30, 2021

The Honorable J. Russell George
Inspector General for Tax Administration
U.S. Department of Treasury
1401 H Street NW, Suite 469
Washington, DC 20005

Dear Mr. George:

The Internal Revenue Service (IRS) appears to be engaging again in viewpoint discrimination. According to a recent report, the IRS improperly denied tax-exempt status to a religious group on the basis that “bible teachings are typically affiliated with the [Republican] party and candidates.”¹ Over ten years after the IRS began targeting Tea Party groups, it seems the IRS could be up to its old tricks. We ask that the Treasury Inspector General for Tax Administration (TIGTA) immediately review this matter.

On May 18, 2021, Stephen Martin, Lois Lerner’s successor as Director of the IRS’s Exempt Organizations Division, denied a religious group called Christians Engaged 501(c)(3) tax-exempt status.² Section 501(c)(3) of the Internal Revenue Code exempts from federal taxation groups that are “organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or education purposes” that do not participate or intervene in a political campaign.³ Martin explained that “bible teachings are typically affiliated with the [Republican] party and candidates. This disqualifies you from exemption under [Internal Revenue Code] 501(c)(3).”⁴

Christians Engaged is a Christian organization that seeks “to awaken, motivate, and empower ordinary believers in Jesus Christ to: pray for our nation regularly, vote in every election to impact our culture, [and] engage our hearts in some form of political education or activism for the furtherance of our nation.”⁵ The organization engages with the public on public policy issues through the lens of the Bible’s teachings and sincerely held religious beliefs.⁶

The IRS’s denial of tax-exempt status to Christians Engaged on the assumption that bible teaching is an activity “typically” associated with Republicans is wrong and outrageous. Federal

¹ Michael Lee, *IRS denies tax-exempt status to Christian nonprofit group because ‘Bible teachings are typically affiliated with the Republican Party’*, YAHOO NEWS (Jun. 20, 2021).

² Letter from Mr. Stephen Martin, Dir., Exempt Org. Rulings & Agreements, Internal Rev. Serv., to Christians Engaged (May 18, 2021).

³ I.R.C. § 501(c)(3) (2019). See generally INTERNAL REVENUE SERV., REVENUE RULING 2007-41 (Jun. 18, 2007).

⁴ Letter from Mr. Stephen Martin, Dir., Exempt Org. Rulings & Agreements, Internal Rev. Serv., to Christians Engaged (May 18, 2021).

⁵ Christians Engaged, <https://christiansengaged.org/> (last visited Jun. 23, 2021).

⁶ Letter from Ms. Lea Patterson, Counsel, First Liberty Institute, to Internal Revenue Serv. (Jun. 16, 2021).

law allows a religious group to obtain tax-exempt status.⁷ IRS regulations permit a tax-exempt organization to “take positions on public policy issues, including issues that divide candidates in an election for public office.”⁸ Christians Engaged is not affiliated with a specific political party or candidate.⁹ The group’s religious teachings and educational material do not amount to support for a specific political party or candidate.¹⁰

Even worse, the IRS’s ruling violates fundamental First Amendment rights of citizens affiliated with Christians Engaged. The IRS granted former First Lady Michelle Obama’s When We All Vote organization 501(c)(3) tax-exempt status.¹¹ This group encourages its “supporters and volunteers to take action through voting, advocating for their rights, and holding their elected officials accountable.”¹² The IRS’s denial of tax-exempt status to Christians Engaged while granting exempt status to another organization that “encourage[s] civic engagement from different viewpoints demonstrates the IRS’s impermissible viewpoint discrimination.”¹³

The IRS has a sad history of violating American citizens’ constitutional rights. In 2010 and 2011, the IRS targeted Tea Party groups that applied for tax-exempt status.¹⁴ In 2013, you issued a report that found that “[t]he IRS used inappropriate criteria that identified for review Tea Party and other organizations applying for tax-exempt status based upon their names or policy positions instead of indications of potential political campaign involvement.”¹⁵ The ensuing investigation by the House Committee on Oversight and Government Reform detailed how the IRS, responding to political pressure from the Obama-Biden Administration, weaponized our tax laws to silence and censor conservative speech.¹⁶

The revelation that the IRS unlawfully denied tax-exempt status to Christians Engaged comes on the heels of news of a massive breach of confidential taxpayer data. Earlier this month, *ProPublica* published an article that relied on a large amount of tax return information, which is protected from disclosure under federal law.¹⁷ Although *ProPublica* claims not to know the source of this taxpayer information, it seems likely that an individual working at the IRS or someone with access leaked the confidential tax documents of American citizens. We understand that the IRS has announced that the agency is reviewing the release of this information and referred this issue to your office for review.¹⁸ But we cannot trust the IRS to police itself.

⁷ I.R.C. § 501(c)(3) (2019).

⁸ INTERNAL REVENUE SERV., REVENUE RULING 2007-41 (2007).

⁹ Letter from Ms. Lea Patterson, Counsel, First Liberty Institute, to Internal Revenue Serv. (Jun. 16, 2021).

¹⁰ *See Id.*

¹¹ *Id.*

¹² *Id.*

¹³ Letter from Ms. Lea Patterson, Counsel, First Liberty Institute, to Internal Revenue Serv. (Jun. 16, 2021).

¹⁴ Bradley A. Smith, *The Unresolved IRS Scandal*, WALL ST. J. (May 9, 2018).

¹⁵ TIGTA, 2013-10-053, Inappropriate Criteria Were Used to Identify Tax-Exempt Applications for Review, <https://www.treasury.gov/tigta/auditreports/2013reports/201310053fr.pdf>.

¹⁶ Staff Report, H. Comm. on Oversight & Gov’t Reform, *The Internal Revenue Service’s Targeting of Conservative Tax-Exempt Applicants: Report of Findings for the 113th Congress*, 113th Cong. (2014).

¹⁷ Jesse Eisinger, Jeff Ernsthause, Paul Kiel, *The Secret IRS Files: Trove of Never-Before-Seen Records reveal How the Wealthiest Avoid Income Tax*, PROPUBLICA (Jun. 8, 2021); 26 U.S.C. § 7213(a) (2019).

¹⁸ Richard Rubin, *IRS Is Investigating Release of Tax Information of Wealthy Americans*, WALL ST. J. (Jun. 8, 2021).

We must ensure the IRS is not reverting back to its targeting of conservative tax-exempt groups. Government agencies that work for the American public should not be in the business of violating citizens' constitutional rights. The Committee on the Judiciary has jurisdiction over civil liberties under House Rule X. The Committee on Oversight and Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Therefore, we urge you to immediately review the IRS's denial of tax-exempt status to Christians Engaged and whether the IRS has denied similarly situated applicants on the basis of constitutionally protected speech.

We appreciate your prompt attention to this request and look forward to hearing from you.


Sincerely,



Jim Jordan
Ranking Member
Committee on the Judiciary



James Comer
Ranking Member
Committee on Oversight and Reform



Mike Johnson
Ranking Member
Subcommittee on the Constitution,
Civil Rights, and Civil Liberties
Committee on the Judiciary

cc: The Honorable Jerrold Nadler, Chairman, Committee on the Judiciary

The Honorable Carolyn Maloney, Chairwoman, Committee on Oversight and Reform

The Honorable Steve Cohen, Chairman, Subcommittee on the Constitution, Civil Rights,
and Civil Liberties, Committee on the Judiciary