

IRS finds cases of church politicking but few feel sting: Warnings but no revocations for churches

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In an ongoing investigation of 2004 partisan politicking by churches and other tax-exempt nonprofit organizations, the Internal Revenue Service said that it found violations in 59 of 82 cases as of last month.

Only three organizations—none of them churches—were recommended for revocation of their tax-exempt status, and in another case the IRS applied an excise tax. At the same time, however, the IRS issued new and more detailed guidelines for this year, signaling that the federal agency will treat violations seriously.

“The law does not allow charities to participate in political campaigns,” said IRS commissioner Mark W. Everson in a February 24 news release. “While the vast majority of charities, including churches, did not engage in politicking, our examinations substantiated a disturbing amount of political intervention in the 2004 electoral cycle.”

The IRS report did not identify any churches or charities, citing “taxpayer privacy rights.” Violations investigated covered “the full spectrum” of political activity.

A spokesperson for All Saints Episcopal Church in Pasadena, California— which had been warned in June about a sermon critical of President Bush in 2004—said on March 1 that the church has heard nothing new from the IRS since then.

“Our hope is that they will not come back at us,” said Bob Long, senior warden of the parish. “We are trying to get a status report, but it would be Draconian in the extreme to recommend revoking our status for one sermon by a former rector.”

In 55 completed investigations of churches and charities, the IRS issued warnings but did not recommend revocation. In the agency’s language, “a written advisory is issued when the Service believes the organization engaged in prohibited campaign

activity, but the activity appeared to be a one-time, isolated violation” and was corrected, or steps were taken to avoid violations in the future.

Americans United for Separation of Church and State welcomed the report and the new guidelines. While noting that “fewer than half” of the cases concerned churches, Barry Lynn, executive director of Americans United, said that “pastors tempted to follow the religious right’s siren song into partisan activity need to sit up and take notice.”