



The prospect of a politically motivated IRS is chilling. But there is no evidence that the IRS rejected any group's application for political reasons. Nor is there any evidence that scrutiny was unwarranted. The law compels the IRS to investigate groups that apply for tax-exempt status. The underlying problem is not the politicization of the IRS (its employees are well insulated from presidential directives) but the vagueness of the tax code. And the solution to that problem is for Congress to give clearer guidelines.

When an IRS office in Cincinnati issued its misguided directive on Tea Party groups, it was being flooded with new applications for 501(c)(4) status. The increase was in part the result of changes in the law allowing corporations and unions to give unlimited sums in elections. By giving their money to tax-exempt social welfare groups rather than to political action groups, these funders had a way both to spend without hindrance and to hide what they were doing.

Civil society is made more vibrant by the presence of groups organized around a social cause—which is a good rationale for giving such groups tax-exempt status. But citizens should know who is funding the election of office holders—which is a good reason for either requiring 501(c)(4) groups to reveal who their donors are or for sharply limiting how much politicking these groups can do.