

September 4, 2023

The Honorable Jason Smith

Chair, Committee on Ways & Means U.S. House of Representatives Washington, D.C. 20515

The Honorable David Schweikert

Chair, Oversight Subcommittee, Committee on Ways & Means U.S. House of Representatives Washington, D.C. 20515

RE: Request for Information on Political Activities of 501(c)(3) and 501(c)(4) Organizations

Dear Chairman Smith and Chairman Schweikert:

Thank you for the opportunity to provide input regarding 501(c) nonprofits and their engagement in politics. The American Society of Association Executives (ASAE) has nearly 50,000 members and has represented the association community, its workers and its stakeholders for more than 100 years.

Associations make broad contributions to American life. The IRS recognized more than 60,000 trade and professional associations in 2020. They are an essential element of our national, state and local economies. They create jobs in every state. Beyond their direct economic impact, associations play a vital role to enrich communities and create positive change around the world.

ASAE is highly concerned about potential unintended consequences of policymaking in this area. Nonprofits – particularly 501(c)(3) organizations – are often resource-limited but are always mission driven to uniquely benefit our economy and society. Many associations have 501(c)(3) status, especially in the medical and scientific spaces.

All nonprofits must adhere to guidelines set forth amid the Internal Revenue Service's 501(c) classification system. For example, 501(c)(3)s, which include advocacy- and issue-based organizations, charitable organizations and house of worship, among others, are flatly prohibited from engaging in any political activity of any kind. All communities rely on these organizations for the essential support they provide to individuals and groups in need.

There are many 501(c)(4) nonprofit associations, notably in the agriculture sector. Political engagement among 501(c)(4) organizations is concentrated among a small number of organizations, as "fully two-thirds of [501(c)(4)] organizations can be easily identified as not engaged in lobbying or political activities."

The vast majority of nonprofits operate legitimately and without approaching political activity or even policymaking. ASAE implores you to preserve the sanctity of the millions of nonprofit organizations that help strengthen our country.

¹ Urban Institute report on 501(c)(4) organizations. <u>https://www.urban.org/sites/default/files/publication/77226/2000594-From-Camps-to-Campaign-Funds-The-History-Anatomy-and-Activities-of-501(c)(4)-Organizations.pdf.</u>



Thank you for your service to our country and for your commitment to ensuring a fair political process. We are pleased to submit comments on your Request for Information. Please email Mary Kate Cunningham, CAE, ASAE's Senior Vice President of Public Policy, at mcunningham@asaecenter.org if you or your staff have questions.

Sincerely,

Michelle I. Mason, FASAE, CAE

Michelle Mason

President & CEO

ASAE: The Center for Association Leadership