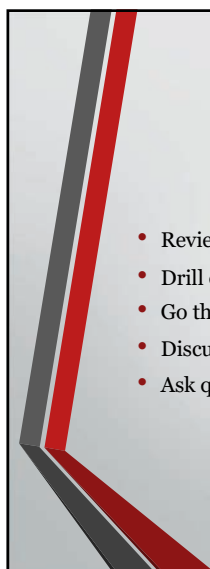


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1



Agenda

- Review the basics.
- Drill down into the rules of the road.
- Go through some examples and case studies.
- Discuss some tricks of the trade.
- Ask questions as we go along so this can be a dialogue rather than a lecture.

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“I seldom think of politics
more than 18 hours a day.”

—Lyndon Baines Johnson

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Types of Tax-Exempt Organizations

- The rules differ based on what type of tax-exempt organizations are involved.
- IRC Section 501(c)(3)
 - Private foundations
 - Public charities
- IRC Section 501(c)(4)
 - Social welfare organizations
- IRC Section 501(c)(6)
 - Trade associations
- IRC Section 527
 - 527s (not PACs)
 - Political action committees (PACs)
 - Independent-expenditure only PACs (SuperPACs)

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Types of Tax-Exempt Organizations

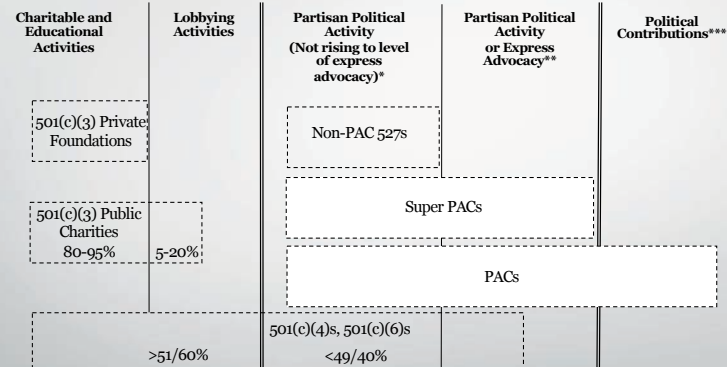
	501(c)(3) Private Foundation	501(c)(3) Public Charity	501(c)(4) Social Welfare Org	527 Political Org
Purpose	<ul style="list-style-type: none"> Charity, education, religion or science Contributions from limited sources 	<ul style="list-style-type: none"> Charity, education, religion or science 	<ul style="list-style-type: none"> Social welfare or advocacy (lobbying) 	<ul style="list-style-type: none"> Political
Examples	<ul style="list-style-type: none"> Gates Foundation Ford Foundation 	<ul style="list-style-type: none"> Sierra Club Foundation American Red Cross Heritage Foundation 	<ul style="list-style-type: none"> Sierra Club National Rifle Association Crossroads GPS 	<ul style="list-style-type: none"> Sierra Club Political Committee EMILY's LIST American Crossroads
Tax Benefits	<ul style="list-style-type: none"> Tax exemption Contributions deductible Gift tax deduction 	<ul style="list-style-type: none"> Tax exemption Contributions deductible Gift tax deduction 	<ul style="list-style-type: none"> Tax exemption Gift tax exemption 	<ul style="list-style-type: none"> Tax exemption Gift tax exemption
Election-Related Activity	<ul style="list-style-type: none"> Can't support or oppose candidates Nonpartisan activities OK Can only fund voter registration under very limited circumstances 	<ul style="list-style-type: none"> Can't support or oppose candidates Nonpartisan activities OK 	<ul style="list-style-type: none"> Partisan activity cannot be primary activity ("primary purpose" test) May be taxable 	<ul style="list-style-type: none"> Primary purpose is partisan activity

*Note: 501(c)(4)s and 501(c)(6)s have the same rules for these purposes.

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IRS Educational, Lobbying and Political Activity Spectrum



*Political speech regulated by IRS (not FEC).

** Political speech regulated by IRS and FEC.

*** N.B. For state and local elections, the rules may differ.

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