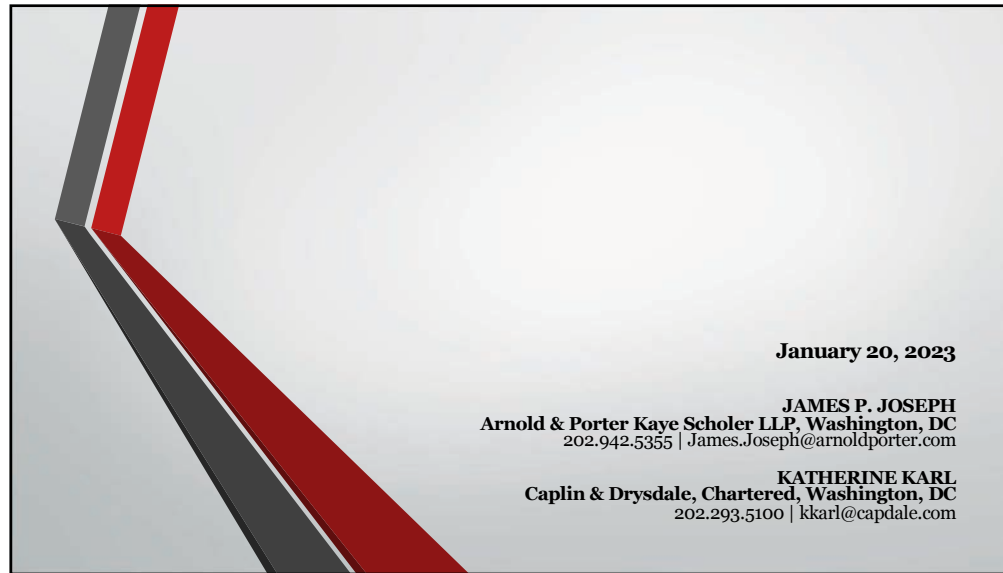
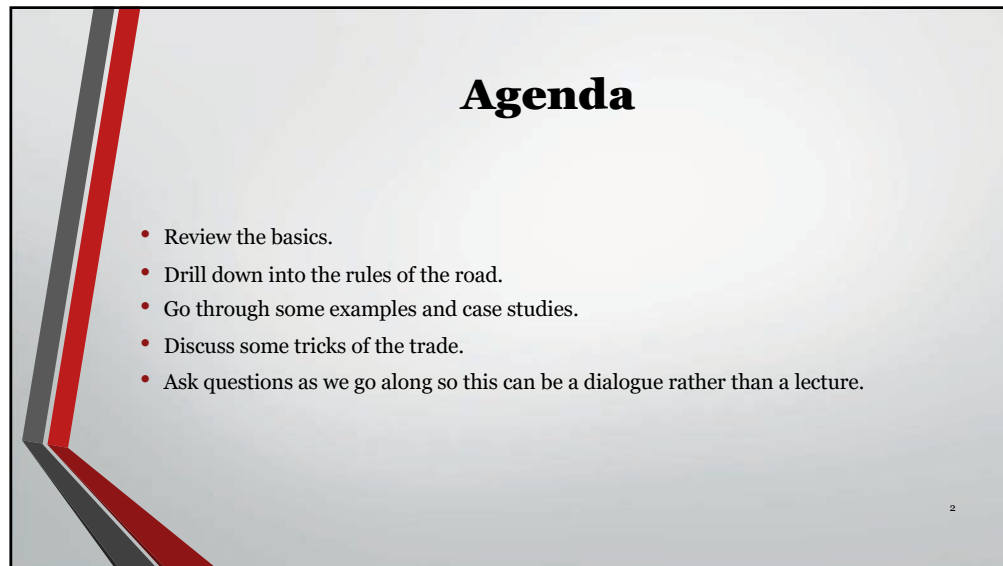




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“I seldom think of politics
more than 18 hours a day.”

—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

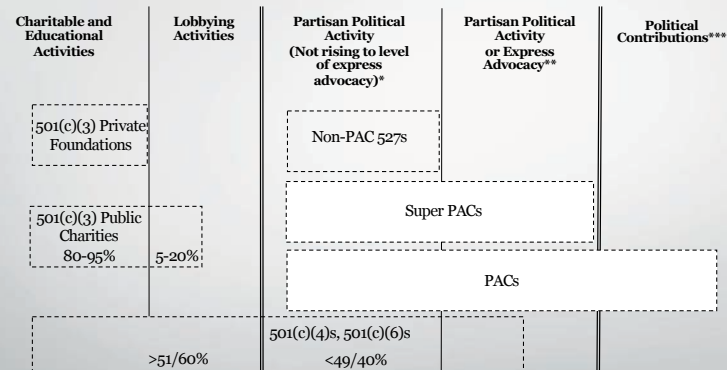
	501(c)(3) Private Foundation	501(c)(3) Public Charity	501(c)(4) Social Welfare Org	527 Political Org
Purpose	- Charity, education, religion or science - Contributions from limited sources	Charity, education, religion or science	Social welfare or advocacy (lobbying)	Political
Examples	- Gates Foundation - Ford Foundation	- Sierra Club Foundation - American Red Cross - Heritage Foundation	- Sierra Club - National Rifle Association - Crossroads GPS	- Sierra Club Political Committee - EMILY's LIST - American Crossroads
Tax Benefits	- Tax exemption - Contributions deductible - Gift tax deduction	- Tax exemption - Contributions deductible - Gift tax deduction	- Tax exemption - Gift tax exemption	- Tax exemption - Gift tax exemption
Election-Related Activity	- Can't support or oppose candidates - Nonpartisan activities OK - Can only fund voter registration under very limited circumstances	- Can't support or oppose candidates - Nonpartisan activities OK	- Partisan activity cannot be primary activity ("primary purpose" test) - May be taxable	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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First appeared as part of the conference materials for the
40th Annual Nonprofit Organizations Institute session
"MASTER CLASS: Elections and Nonprofit Compliance"