

IRS Considerations

- Lobbying by Nonprofits is **Legitimate, Encouraged and Protected**.
- Under IRS regulations, "lobbying" is defined as: a **communication to legislators** (or urging the public to contact legislators) intended to influence **specific legislation**.
- IRS Code requires that "no **substantial part** of a charity's activities . . . be carrying on propaganda or otherwise attempting to influence legislation." In 1976, Congress made lobbying more worry-free by passing legislation that gave public charities the right to **lobby up to 20% of their annual overall expenditures**, without any risk to their exempt status.
- The IRS is concerned about how much **money** an organization spends on lobbying – **not necessarily how much time and energy**.
- **Supporting or opposing any candidate** for elected office, even in nonpartisan races, is **strictly prohibited** and can result in loss of your tax exemption. Fear of violating this prohibition on political activity may be behind the reluctance of many nonprofits to get involved in policy issues.
- **For More Information:** "Frequently Asked Questions about Lobbying and Advocacy by Nonprofits," Center for Nonprofit Management, <http://www.cnmsocal.org/ForNonprofits/FAQLobbying.html#3>