



AMERICANS
for TAX REFORM

Re: ATR Supports REG-102508-16

December 5, 2019

CC:PA:LPD:PR
(REG-102508-16)
Room 5203
Internal Revenue Service
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T:(202)785-0266

F:(202)785-0261

www.ATR.org

Dear Sir or Madam:

I write in support of the Trump Administration's proposed rule to reform Schedule B, "Guidance Under Section 6033 Regarding the Reporting Requirements of Exempt Organizations," a proposal that would streamline the filing process for nonprofits and prevent future administrations from targeting organizations by leaking sensitive information.

Today, tax exempt organizations must disclose the name, address, and amount donated for each donation above \$5,000 on the Schedule B form. These Schedule B forms are submitted to the IRS, redacted of names and addresses. Under the proposed rule, only 501(c)(3)s and 527s would still have to file the Form 990, Schedule B, but all non-profits would need to present the information upon IRS request.

Schedule B forms are not used for any official purpose – the IRS is prohibited from sharing this sensitive information. During the Obama administration, there were several cases where agency officials leaked sensitive Schedule B information for political purposes. In 2014, the IRS had to pay the National Organization for Marriage **\$50,000** after disclosing their donors to an oppositional organization who published it.

The proposed rule would hold the IRS more accountable and protect free speech of donors and those working for non-profits. American citizens have the right to associate with and donate to organizations freely and privately. Unelected IRS bureaucrats should not be able to use Schedule B information to chill political speech for Americans.

Instead of serving a legitimate purpose, the disclosure requirement creates needless compliance costs on both non-profits and the IRS. Under the proposed rule, the information available to the public will not change, though money and time will be saved for both taxpayers and the IRS by eliminating this tedious process. In fact, The Institute for Free Speech estimates that nonprofits would save about **\$63 million** per year compliance costs if Schedule B were repealed.

Critics have falsely stated that the rule will allow for illegal foreign transactions. However, there are already measures in place to track these transactions, and it is highly unlikely that anyone will admit to funneling illegal money on the form. Even if the IRS did suspect laws were being broken, it has no authority to share the information it collects with the FCC and the DOJ, the two agencies with the ability to enforce campaign finance [laws](#).

This proposed rule will save taxpayers time and money while also protecting privacy and free speech for all Americans. ATR strongly supports this rule and urges Congress to follow the Trump Administration's lead by codifying Schedule B reform into law.

Onward,

Grover G. Norquist
President, Americans for Tax Reform