

Congress of the United States

Washington, DC 20515

May 26, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue N.W.
Washington, D.C. 20530

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20224

BY ELECTRONIC DELIVERY

Dear Secretary Yellen and Commissioner Rettig:

We write to urge the Treasury Department and Internal Revenue Service (IRS) to reverse the Trump Administration's decision to eliminate disclosure requirements for certain tax-exempt organizations that engage in political activity. As it stands, this policy weakens federal tax laws, campaign finance laws, and longstanding efforts to prevent foreign interference in U.S. elections.

For decades, the Treasury Department and IRS required 501(c)(4) organizations and other tax-exempt groups that are eligible to engage in political advocacy to identify, in confidential filings, the names and addresses of individual donors who make significant financial contributions over \$5,000. In 2018, the IRS attempted to unilaterally eliminate this requirement. That same year, the Senate voted in a bipartisan manner to overrule the IRS's action, and the rule was eventually struck down by a Federal court. Despite the Senate vote and Federal court ruling, in May of last year the Treasury Department and IRS finalized a regulation eliminating this longstanding disclosure requirement, allowing 501(c)(4), 501(c)(5) and 501(c)(6) groups engaged in political activity to hide the identities of major donors from the IRS.

Eliminating the requirement that tax-exempt groups disclose basic information about the source of their contributions undercuts efforts to enforce prohibitions against foreign spending in U.S. elections and detect other illegal activity. It also undermines the ability of the U.S. government to police the wave of "dark money" that has flooded our political system in the decade since the Supreme Court's decision in *Citizens United v. Federal Elections Commission*. According to a study by the nonpartisan Center for Responsive Politics, dark money groups have spent over \$1 billion to influence U.S. elections since 2008.

As secret campaign contributions continue to pour into federal elections, this IRS rule is a major step backwards for transparency and will allow dark money to continue to corrode our political system. The IRS needs every tool at its disposal to ensure that these organizations are complying with the law.

Reinstating this rule is a critical step in preventing special interests and foreign actors from exploiting loopholes at the expense of the American people. We strongly urge you to reconsider the prior administration's decision and reinstate the requirement that certain tax-exempt organizations engaged in political activity disclose information about their major donors to the IRS.

Sincerely,



Ted Deutch
MEMBER OF CONGRESS



Peter Welch
MEMBER OF CONGRESS



David N. Cicilline
MEMBER OF CONGRESS



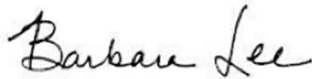
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MEMBER OF CONGRESS



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MEMBER OF CONGRESS

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Gerald E. Connolly
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James Himes
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Ro Khanna
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James P. McGovern
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Dean Phillips
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Jamie Raskin
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Mary Gay Scanlon
MEMBER OF CONGRESS

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Frederica S. Wilson
MEMBER OF CONGRESS

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Jim Cooper
MEMBER OF CONGRESS

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Ed Case
MEMBER OF CONGRESS

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Peter A. DeFazio
MEMBER OF CONGRESS

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Pramila Jayapal
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John Yarmuth
MEMBER OF CONGRESS

/s/
Teresa Leger Fernández
MEMBER OF CONGRESS