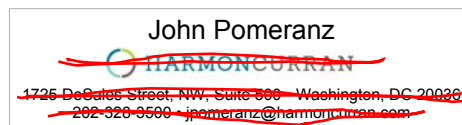


Election 2020 Lessons Learned: Techniques and Activities

University of Texas Law CLE
37th Annual Nonprofit Organizations Institute
January 21, 2021



IN TRANSITION, SO FOR NOW...
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Agenda

- Overview of exempt organization electoral activities
- Electoral activities for affiliated organizations
- Issues raised by pandemic-related strategies
- Rules for post-election efforts

Types of Organizations: Tax Benefits or Advocacy?

	501(c)(3) Public Charity (Exclusively for public good)	501(c)(4), 501(c)(5), 501(c)(6) (Mostly for exempt purpose)	527 Political Organization (Exclusively political)
Examples	<ul style="list-style-type: none"> Sierra Club Foundation NAACP American Red Cross 	<ul style="list-style-type: none"> Sierra Club AFL-CIO Chamber of Commerce 	<ul style="list-style-type: none"> Sierra Club Political Committee Sierra Club Indep. Action Emily's List
Tax Benefits	<ul style="list-style-type: none"> Tax exemption Deductible contributions Foundation grants 	<ul style="list-style-type: none"> Tax exemption 	<ul style="list-style-type: none"> Tax exemption
Lobbying	Limited	Unlimited	Rare (and usually taxable)
Election-related Activity	Can't support or oppose candidates Nonpartisan activity is OK	Partisan activity may not be primary activity May be taxable	Primary purpose is partisan activity

Basic Rule for 501(c)(3)s

May not “participate in or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office”

in other words...

May not support or oppose a candidate for public office

in other words...

No “electioneering”



No support or opposition for **candidates**, but charities **can support or oppose ballot measures** (initiatives, referenda, etc.)

Basic Rule for Other 501(c)s

Primary purpose may not be “exempt function” as defined under IRC section 527(e)

in other words...

Primary purpose may not be electioneering

527(f) Tax

501(c)s are liable for tax on the *lesser* of:

- Political expenditures, or
- Investment income

(If owed, file Form 1120-POL)

Basic Rule for 527s

Primary purpose must be “exempt function” as defined under IRC section 527(e)

in other words...

Primary purpose must be electioneering

527s are liable for tax on:

- Non-political expenditures, and
- Investment income

(If owed, file Form 1120-POL)

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First appeared as part of the conference materials for the
38th Annual Nonprofit Organizations Institute session
"Election 2020 Lessons Learned: Techniques and Activities"