



Churches and Politics A Guide For Religious Leaders

Religious leaders frequently have questions about the appropriate role of religion in politics and what activities houses of worship may undertake in the political process. This guide, based on information provided by two tax attorneys who are experts in non-profit law, is designed to answer some of the common questions about this subject.

Churches and other non-profit organizations that hold 501(c)(3) tax-exempt status must abide by Internal Revenue Service regulations barring any involvement in partisan politics. The blanket prohibition concerns only races for public office, not issues. Religious leaders may speak out from the pulpit or in other forums on moral and political issues. However, churches and pastors may not endorse candidates for public office or advise congregants to vote for or against certain candidates. Federal tax law in this area is quite strict, and the IRS has indicated that it follows a "zero tolerance" policy toward violations.

Q. What types of activities are prohibited under the IRS Code?

A. Church endorsements of candidates and statements of opposition to candidates are strictly forbidden and can result in revocation of a church's tax-exempt status. (However, clergy may endorse candidates as individuals in forums outside the church or work on behalf of candidates during their personal time.)

In addition, churches may not contribute money to candidates, solicit contributions on their behalf or donate to candidates' political action committees. Churches may not set up their own PACs.

Q. What constitutes an endorsement or opposition to a candidate?

A. Prohibited activities may include letters of endorsement or opposition printed on church letterhead, church-sponsored distribution of campaign literature, pastors advising congregants to vote for or against candidates from the pulpit, the display of campaign signs on church property and other activities that could be construed as endorsing or opposing a candidate.

Q. Does the IRS really enforce this law?

A. Yes. The IRS regularly issues statements reminding churches and other non-profits to stay out of partisan politics, and the federal tax agency does not hesitate to penalize organizations that violate this standard.

In addition, the IRS recently announced a new plan of heightened scrutiny of non-profit groups and their political activity. The tax agency's "Political Activity Compliance Initiative" promises closer examination of non-profits and swifter actions against violators. The IRS has also issued a detailed report on partisan political activity by non-profits during the 2004 election cycle. The tax agency's report notes that 132 non-profits were examined, with "fewer than half" being houses of worship.

Q. What is the penalty if a church violates this standard?

A. Penalties can include loss of tax-exempt status or financial penalties imposed on church officials.

Q. Has this ever happened to a church?

A. Yes. The Church at Pierce Creek in Binghamton, N.Y., lost its tax-exempt status in 1995 after the IRS determined it had violated federal tax law by publishing a full-page ad in USA Today in late October of 1992 advising people that voting for presidential candidate Bill Clinton was a sin. The church sued in federal court to regain its tax-exempt status but lost in federal district court. A federal appellate court later upheld the ruling denying the church tax-exempt status.

The IRS is watching. The IRS regularly issues statements reminding churches and other non-profits to stay out of partisan politics, and the federal tax agency does not hesitate to penalize organizations that violate this standard.

Q. What types of political activities can houses of worship engage in?

A. There are many. For example, houses of worship may sponsor voter registration drives. They may encourage voting and even help people get to the polls on election day. They may not tell people who to vote for.

Houses of worship can also sponsor non-partisan candidate forums. Religious groups may sponsor forums at which all legally qualified candidates for a given office are invited to appear. The questioning should be non-partisan in nature and broad, covering a range of issues, not just moral or social issues of concern to the church.

Churches may send questionnaires to candidates and ask them where they stand on issues. However, before distributing the answers, churches should make sure the answers are accurate and that the questionnaire covers a wide range of issues. Questionnaires should be sent to all candidates, and the church should not compare the candidates' answers to the church's preferred position on issues.

Q. Can religious leaders speak out on political or moral issues?

A. Yes. The IRS prohibition on partisan politicking concerns individuals seeking public office, not issues. Religious leaders may take stands on political issues such as abortion, gay rights, gun control, health care and many others. They may also support or oppose ballot referenda.

Q. *What about voter guides? Can they ever be distributed in churches?*

A. Houses of worship should be extremely wary of voter guides produced by outside organizations. When a guide has been produced by an outside organization, church leaders have no way of knowing if the answers are accurate or if the guide has been intentionally slanted to favor a certain candidate. Also, some organizations that produce guides hold a different type of tax-exempt status, a status that permits them to engage in some political activities that churches are not permitted to take part in.

It means nothing for an organization to claim that its voter guides have been approved by its own attorneys. The only question that matters is if IRS attorneys would approve of the guide.

Remember, if a voter guide produced by an outside group is determined to be partisan in character and is distributed in church, the IRS has the legal right to penalize the church even though it did not produce the guide.

The IRS Web site contains useful language on dealing with voter guides. It says:

“Preparing or distributing a voter guide may violate the prohibition against political campaign intervention if the guide focuses on a single issue or narrow range of issues, or if the questions are structured to reflect bias. Although any document that identifies candidates and their positions close in time to an election has the potential to result in political campaign intervention, preparation or distribution of voter guides, because of their nature, present a particular risk for non compliance....

“An organization may be asked to distribute voter guides prepared by a third party. Each organization that distributes one or more voter guides is responsible for its own actions. If the voter guide is biased, distribution of the voter guide is an act of political campaign intervention. Therefore, an organization should reach its own independent conclusion about whether a voter guide prepared by itself or prepared by a third party covers a broad scope of issues and uses neutral form and content.”

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518 C Street NE
Washington, DC 20002

Telephone (202) 466-3234; Facsimile (202) 466-2587; E-mail: americansunited@au.org