

# United States Senate

WASHINGTON, DC 20510-3203

April 27, 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

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.<sup>1</sup>

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.

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<sup>1</sup> *Dark Money Basics*, Center for Responsive Politics (last accessed April 4, 2021), <https://www.opensecrets.org/dark-money/basics>.

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,



Amy Klobuchar  
United States Senator



Jon Tester  
United States Senator



Ron Wyden  
United States Senator



Sheldon Whitehouse  
United States Senator



Sherrod Brown  
United States Senator



Patrick Leahy  
United States Senator



Mazie K. Hirono  
United States Senator



Jeffrey A. Merkley  
United States Senator



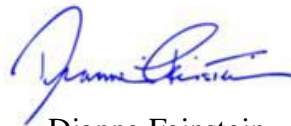
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United States Senator

/s/

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United States Senator



Christopher S. Murphy  
United States Senator



Dianne Feinstein  
United States Senator



Chris Van Hollen  
United States Senator



Robert Menendez  
United States Senator



Benjamin L. Cardin  
United States Senator



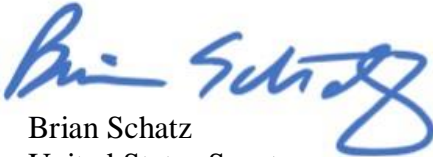
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United States Senator



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United States Senator

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Richard J. Durbin  
United States Senator



Brian Schatz  
United States Senator



Margaret Wood Hassan  
United States Senator



Jeanne Shaheen  
United States Senator



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United States Senator




Tina Smith  
United States Senator

/s/

Ben Ray Lujan  
United States Senator

/s/

Raphael Warnock  
United States Senator



Elizabeth Warren  
United States Senator

/s/

Alex Padilla  
United States Senator



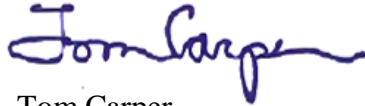
Tammy Baldwin  
United States Senator



Richard Blumenthal  
United States Senator



Tammy Duckworth  
United States Senator



Tom Carper  
United States Senator



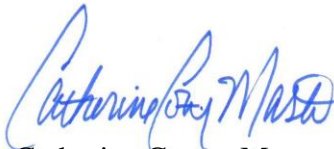
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Tim Kaine  
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Joe Manchin III  
United States Senator



Catherine Cortez Masto  
United States Senator



Jack Reed  
United States Senator

/s/

Martin Heinrich  
United States Senator



Patty Murray  
United States Senator