



"The Church...cannot and should not replace the State. Yet at the same time she cannot and must not remain on the sidelines in the fight for justice. She has to play her part through rational argument and she has to reawaken the spiritual energy without which justice, which always demands sacrifice, cannot prevail and prosper."
Benedict XVI, (Encyclical letter Deus Caritas Est. #26, 2006)

QUESTIONS/ANSWERS ON ISSUE ADVOCACY AND ELECTION ACTIVITY IN PARISHES

INTRODUCTION

From time to time churches urge members to write their public officials in support of or in opposition to pending legislation. When this happens questions may be asked as to whether this activity violates laws or regulations. The following set of "questions and answers" is intended to help parish staff and others deal with this issue.

What law or rule governs church activity in political issues?

Section 501(c)(3) of the Internal Revenue Code (IRC), which is administered by the Internal Revenue Service (IRS), governs political and lobby activity of churches and other organizations that are exempt from the federal income tax.

Does the political campaign intervention prohibition apply to individuals?

Section 501(c)(3) applies to organizations, not individuals. Accordingly, the political campaign intervention prohibition applies to Catholic organizations, not to leaders, employees, or members acting in their individual capacities. (Emphasis added)

Are church organizations subject to other laws regarding political activity?

Advocacy for or against a referendum question is governed by Wisconsin campaign finance laws. These provide that any group that spends more than \$25 for or against a referendum question must register as a political committee with the Government Accountability Board. (NOTE: The law includes an exemption for costs related to materials distributed to a group's own membership. Thus the cost of preparing or duplicating a bulleting insert would not be covered by the reporting requirement because the bulletin is targeted to parishioners.)

What does section 501(c)(3) say about political campaign activity?

Section 501(c)(3) prohibits organizations that are exempt from federal income tax under its provisions, including Catholic organizations, from participating or intervening in political campaigns on behalf of or in opposition to any candidate for public office. (Emphasis added).

What does section 501(c)(3) say about lobbying or advocacy?

Such activity is permitted, but the IRS limits the amount of lobbying in which section 501(c)(3) organizations may engage. Under section 501(c)(3), Catholic organizations may engage in lobbying activities only if they do not constitute a substantial part of their total activities, measured by time, effort, expenditure, and other relevant factors.

What is the difference between lobbying and political campaign activity?

In the most basic terms, lobbying focuses on legislation, whereas political campaign activity focuses on candidates and campaigns for election. Lobbying includes both direct lobbying and grassroots lobbying. Direct lobbying means contacting members of a legislative body, whether federal, state, or local, for the purpose of proposing, supporting, or opposing legislation or advocating the adoption or rejection of legislation. Grassroots lobbying means urging members of the public to do the same. Section 501(c)(3) limits the amount of lobbying a Catholic organization can do; it does not prohibit lobbying outright.

How much activity is “substantial?”

Neither the IRS nor the regulations define what is "substantial" in this context. A few cases suggest that the line between what is substantial and what is insubstantial lies somewhere around 15% of an organization's total activities. The IRS does not endorse any particular percentage.

What is considered "legislation"?

Legislation means any action: (a) by Congress, a state, or local legislative body; or (b) by the public in a referendum, initiative, constitutional amendment or similar procedure. [See: Treas. Reg. § 1.501(c)(3)-1(c)(3)(iii).]

This is why advocacy in support of issues like raising the minimum wage or in support of tax credits for parents of children who attend religious schools is permissible.

Is advocacy in support of or opposition to referendum questions considered lobbying or political activity?

Such advocacy is considered lobbying because referenda and other ballot measures involve policy proposals. Involvement by Catholic organizations in various forms of ballot measures is permitted, not prohibited. Catholic organizations may support or oppose ballot measures, etc., in furtherance of their exempt purposes, subject to relevant lobbying limitations, without jeopardizing tax-exempt status. This is why church advocacy on referendum questions pertaining to the death penalty and the marriage amendment was permissible.

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