

**COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515**

January 13, 2021

The Honorable Steven T. Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Mnuchin,

We write today regarding the seditious and destructive activities that took place on January 6, 2021 at the United States Capitol and resulted in the loss of American lives. Specifically, we are outraged by recent reports alleging that tax-exempt organizations may have incited and facilitated this act of insurrection that gravely endangered the security of the United States and its institutions of government. We must ensure that tax-free dollars are never used to plan or sponsor illegal activities aimed at undermining the Constitution, the rule of law, and our American democracy.

According to media reports, some organizations exempt from Federal income tax organized and promoted events on January 6, 2021 that culminated in a violent siege on the Capitol complex.¹ While the exact role these organizations played is yet unknown, it can be said, unequivocally, that the insurrectionist activities witnessed last week, and the loss of life incident to these activities, are wholly contrary to any permissible tax-exempt purpose.

As you are aware, tax-exempt organizations must be operated exclusively for exempt purposes. The Internal Revenue Service (IRS) has long held that organizations engaged in the planning and sponsoring, as well as the actual conduct, of illegal activities do not qualify for exemption. In a 1975 ruling, the IRS held that an organization that induced or encouraged the commission of criminal acts by planning and sponsoring such events did not qualify for exemption.² The organization's primary activity was sponsoring protest demonstrations in which demonstrators were urged to commit violations of local ordinances, breaches of public order, or civil disobedience.

¹ See, e.g., Brian Schwartz, "Pro-Trump dark money groups organized the rally that led to deadly Capitol Hill riot," CNBC (Jan. 9, 2021), <https://www.cnbc.com/2021/01/09/pro-trump-dark-money-groups-organized-the-rally-that-led-to-deadly-capitol-hill-riot.html>; Laura Strickler and Lisa Cavazuti, "Republican AGs group sent robocalls urging march to the Capitol," NBC News (Jan. 8, 2020), <https://www.nbcnews.com/news/us-news/republican-ags-group-sent-robocalls-urging-march-capitol-n1253581>.

² See Revenue Ruling, 75-384, 1975-2 C.B. 204.

Secretary Mnuchin

January 13, 2021

Page 2

Given the media reports and long-standing position on these activities, we urge the Department of the Treasury to immediately issue emergency guidance to tax-exempt organizations on the current laws, rules, and sanctions related to their participation in illegal activities seeking to overturn or interfere with the conduct of our government. The guidance should clarify what specific actions and conduct are not permissible by a tax-exempt organization in support of an attack on the Capitol or any Federal or state persons or buildings. Additionally, we ask that you consider whether any actions against or investigations of specific organizations may be appropriate in light of these reports.

Thank you, in advance, for your prompt attention to this urgent matter.

Sincerely,



The Honorable Richard E. Neal, *Chairman*
Committee on Ways and Means



The Honorable Lloyd Doggett



The Honorable Mike Thompson



The Honorable John B. Larson



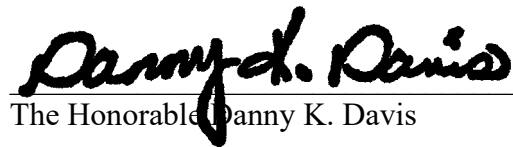
The Honorable Earl Blumenauer



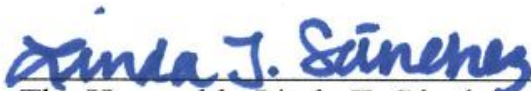
The Honorable Ron Kind



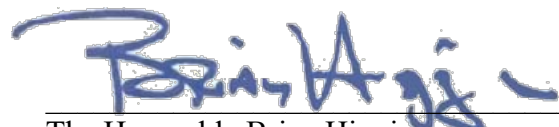
The Honorable Bill Pascrell Jr.



The Honorable Danny K. Davis



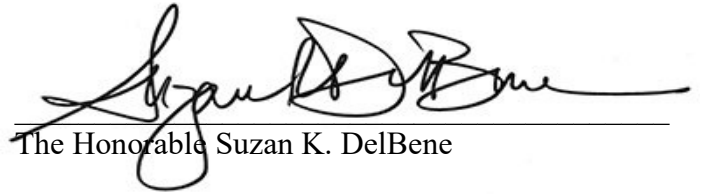
The Honorable Linda T. Sánchez



The Honorable Brian Higgins



The Honorable Terri A. Sewell



The Honorable Suzan K. DelBene



The Honorable Judy Chu



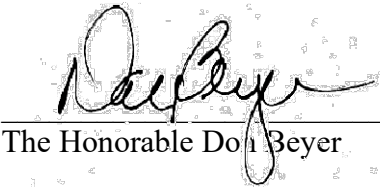
The Honorable Gwen Moore



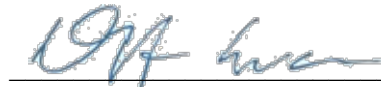
The Honorable Daniel T. Kildee



The Honorable Brendan F. Boyle



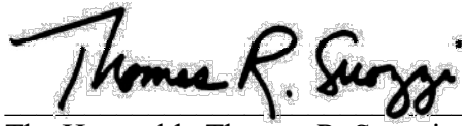
The Honorable Don Beyer



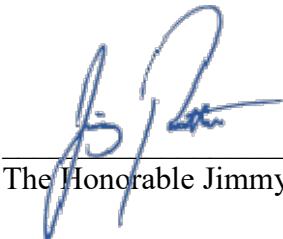
The Honorable Dwight Evans



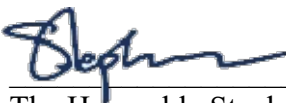
The Honorable Bradley S. Schneider



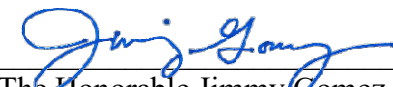
The Honorable Thomas R. Suozzi



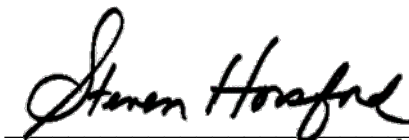
The Honorable Jimmy Panetta



The Honorable Stephanie Murphy



The Honorable Jimmy Gomez



The Honorable Steven Horsford



The Honorable Stacey E. Plaskett