

Religious Organizations Section 501(c)(3) Can's and Cannot Do's

What Non-Profit Corporations Cannot Do

Section 1.501(c)(3)-1(3) (iii) states the following:

Charitable nonprofits and foundations may not “participate in, or intervene in (including publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for political office.” 26 U.S.C. Section 501(c)(3). This prohibition applies to any and all candidates for federal, state and even local elections.

Specifically with regard to churches, the law prohibits political campaign activity by charities and churches by defining a 501(c)(3) organization as one "which does not participate in, or intervene in (including the to) any *candidate* for public" July 30, 2018

Please note that the regulation refers only to *people who are candidates for political office*.

What Nonprofit Corporations Can Do

[\(https://www.nolo.com/legal-encyclopedia/how-much-lobbying-can-nonprofit-do.html/\)](https://www.nolo.com/legal-encyclopedia/how-much-lobbying-can-nonprofit-do.html/)

A 501(c)(3) organization can engage in the following activities without violating the IRS rule:

- Non-partisan activities. Your organization may engage in non-partisan activities such as non-partisan voter registration drives, non-partisan candidate debates, and non-partisan voter education, as long as these activities fulfill your exempt purposes.
- Legislative or issue advocacy. Your organization can engage in legislative advocacy and issue-related advocacy, as long as it follows certain rules and steers clear of political campaigning.
- In addition, individuals associated with a 501(c)(3) organization are entitled to voice their opinions and participate in a political campaign, as long as they are not speaking for the organization.

Section 501(c)(3) nonprofits are allowed to engage in some lobbying (i.e. advocacy) without losing their tax-exempt status. For IRS purposes, lobbying is an attempt to persuade members of a legislative body to “propose, support, oppose, amend, or repeal legislation.” "Legislation" includes among a law, resolution, proposal, nomination, treaty, zoning rule, referendums, initiatives, and constitutional amendments that must be placed on the ballot and voted on by the general public. Lobbying, then, means trying to persuade a member of Congress, state legislator, city council member, county board of supervisors, and even a member of a foreign legislature or parliament, to vote in a certain way.

The vast majority of nonprofits use the IRS's “substantial part test” to determine how much they can lobby. Churches are required to use this test. Under this test, a nonprofit will qualify for tax-exempt status as long as no “substantial part” of its overall activities relates to influencing

legislation or carrying on propaganda. While the test has never been clearly defined, most nonprofits use a court ruling that a nonprofit's lobbying is not substantial as long as **less than five percent** of the organization's total time and effort for the year.