

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 2008.¹

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.

¹ *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

/s/

Charles E. Schumer
United States Senator



Sheldon Whitehouse
United States Senator



Sherrod Brown
United States Senator



Patrick Leahy
United States Senator



Mazie K. Hirono
United States Senator



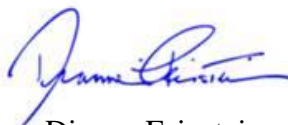
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Jeffrey A. Merkley
United States Senator



Christopher S. Murphy
United States Senator



Dianne Feinstein
United States Senator



Chris Van Hollen
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Robert Menendez
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Benjamin L. Cardin
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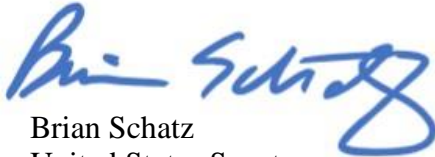
Edward J. Markey
United States Senator



Cory A. Booker
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



Kirsten Gillibrand
United States Senator



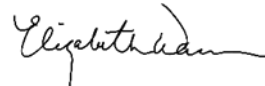
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United States Senator



Ben Ray Luján
United States Senator

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United States Senator



Elizabeth Warren
United States Senator

/s/

Alex Padilla
United States Senator



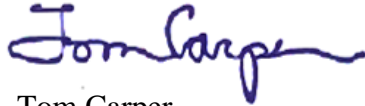
Tammy Baldwin
United States Senator



Richard Blumenthal
United States Senator



Tammy Duckworth
United States Senator



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United States Senator



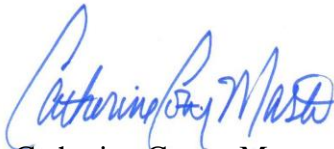
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Joe Manchin III
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Catherine Cortez Masto
United States Senator



Jack Reed
United States Senator

/s/

Martin Heinrich
United States Senator



Patty Murray
United States Senator

/s/

Robert P. Casey, Jr
United States Senator