



December 9, 2019

VIA REGULATIONS.GOV

U.S. Department of the Treasury
CC:PA:LPD:PR (REG-102508-16)
Room 5203, Internal Revenue Service
P.O. Box 7604, Ben Franklin Station
Washington, D.C. 20044

Re: Guidance Under Section 6033 Regarding the Reporting Requirements of Exempt Organizations, 84 Fed. Reg. 47,447 (Sept. 10, 2019) (RIN 1545-BN28)

To Whom It May Concern:

I write on behalf of the American Consumer Institute Center for Citizen Research (ACI), a 501(c)(3) non-partisan research and educational institute, with the mission to identify, analyze, and project the interests of consumers in selected legislative and rulemaking proceedings in matters that affect the consumers.

ACI submits these comments in response to the Internal Revenue Service's (IRS) proposed rulemaking for updated regulations under Section 6033 of the Internal Revenue Code (Code).¹ The proposed rules promulgated under REG-102508-16 would provide reporting relief by eliminating the requirement that tax-exempt organizations, other than those described in Sections 501(c)(3) or 527 of the Code, disclose the names and addresses of contributors on Schedule B of Forms 990 and 990-EZ. We commend this guidance that supports the elimination of superfluous reporting requirements, as it represents a positive step for the freedoms of speech and association.

Currently, the IRS receives sensitive personal information, including the names and home addresses, of every person who donates to certain non-profit organizations. As evidenced by past occurrences², confidential tax return information - including personally identifying details about contributors to exempt organization - found its way out of the IRS multiple times and into

¹ Internal Revenue Service, Notice of Proposed Rulemaking, Guidance Under Section 6033 Regarding the Reporting Requirements of Exempt Organizations, 84 Fed. Reg. 47447 (September 10, 2019) ("Notice").

² See, e.g., Mackenzie Weinger, IRS pays \$50k in confidentiality suit, POLITICO (June 24, 2014), <https://politi.co/2IBa9QQ> .

the public domain; as a result, it exposed individuals to unnecessary harassment and endangered their privacy. Indeed, the IRS notes that it “has experienced incidents of inadvertent disclosure By reducing the number of organizations providing the names and addresses of contributors on Schedule B, the potential for inadvertent disclosure of names and addresses can be decreased.”³ This is corroborated by the yearly reported cases by the Treasury Inspector General for Tax Administration revealing that many IRS employees have not taken mandatory privacy awareness training, leading to deficiencies in the IRS’s inventory of systems containing or using personally identifiable information.⁴ The proposed rule would prevent that from happening again and decrease the likelihood of inadvertent or improper disclosure of confidential information.

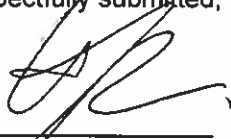
While the automatic collection of private information has little to no benefit to government investigators, the threat it poses to the privacy of American citizens is very real, as exemplified by numerous cases of threats and harassment⁵ that followed improper (including intentional or malicious) disclosure of confidential information. As such, identifying, harassing, and intimidating the organization’s supporters is a key way of silencing that organization’s speech.

Eliminating the requirement that exempt organizations provide such information to the IRS would significantly reduce this risk, and it would not compromise IRS’s ability to enforce the federal tax laws, according to former IRS officials.⁶

ACI appreciates the opportunity to provide this feedback on REG-102508-16. While we commend IRS’s decision to rescind the specific provisions that demand the disclosure for donor names and addresses on Schedule B for 501(c)(4) organizations, we would also urge IRS to consider extending this guidance to 501(c)(3) organizations other than private foundations.

Thank you for your time and consideration.

Respectfully submitted,



Krisztina Pusok
Director of Policy and Research

³ 84 Fed. Reg. at 47452.

⁴ See TREASURY INSPECTOR GEN. FOR TAX ADMIN., SOME COMPONENTS OF THE PRIVACY PROGRAM ARE EFFECTIVE; HOWEVER, IMPROVEMENTS ARE NEEDED (Report. No. 2019-20-062) (Sept. 2019), available at <http://bit.ly/35hlAWB>.

⁵ See Ilya Shapiro, Trevor Burrus, and James Knight, “Americans for Prosperity Foundation v. Becerra”, Cato Institute (September 25, 2019), <https://www.cato.org/publications/legal-briefs/americans-prosperity-foundation-v-becerra>.

John Parkinson, “Incredulous IRS Victims Air Grievances on Political Targeting,” ABC NEWS (June 5, 2013), <https://abcn.ws/2nEiA6D>.

⁶ See, e.g., “The IRS’s Donor Lists,” Wall Street Journal (May 15, 2016), available at <https://www.wsj.com/articles/the-irss-donor-lists-1463346736>.