



H.R. 5053: Preventing IRS Abuse and Protecting Free Speech Act (Rep. Roskam, R-IL)

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FLOOR SCHEDULE:

H.R. 5053 is expected to be considered on June 14, 2016, under a [closed rule](#).

TOPLINE SUMMARY:

[H.R. 5053](#) would prohibit the Internal Revenue Service (IRS) from collecting the identity of donors to tax exempt organizations.

COST:

The [Joint Committee on Taxation](#) (JCT) estimates that enacting H.R. 5053 would “reduce revenues by \$7 million over the 2016-2021 period and by \$16 million over the 2016-2026 period.”

CONSERVATIVE SUPPORT:

Conservatives will be pleased that this legislation would restrict the government’s ability to collect information about donors to private organizations that could be used to target and intimidate those individuals and groups based on their ideological or political beliefs.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

Under current law, tax-exempt organizations are required to file an annual return to the Internal Revenue Service (IRS) on Form 990. An organization that files a Form 990 and receives more than \$5,000 or more from any donor must also report these contributions on Schedule B Schedule of Contributors.

The donor information included on a Schedule B is generally not supposed to be made public by the IRS. However, this confidential information has been improperly disclosed by IRS employees as a part of its efforts to target conservatives. Other liberal activists have also sought Schedule B information of conservative groups.

For example:

- An [IRS employee leaked](#) the Schedule B for the National Organization for Marriage in 2012 and paid \$50,000 to settle a lawsuit regarding the case.

- The [Attorney General of California](#) has attempted to force the Americans for Prosperity Foundation to disclose its Schedule B to California. In April 2016, a U.S. District Court ruled this attempted forced disclosure was unconstitutional.

H.R. 5053 would prohibit the IRS from collecting the identity of donors to tax-exempt organizations. Two exceptions to this prohibition would require the reporting of tax shelter transactions as under current law, as well as contributions of \$5,000 or more by individuals who are an officer or director of the organization or one of its five highest paid employees.

OUTSIDE GROUP SUPPORT:

- **Key Vote Support:** [Americans for Prosperity \(AFP\)](#)
- **Key Vote Support:** [FreedomWorks](#)
- **Key Vote Support:** [National Taxpayers Union \(NTU\)](#)
- [Conservative Action Project](#) Memo for the Movement with over 70 signatures
- [Coalition Letter](#) with almost 100 signatures
- [60 Plus Association](#)
- [American Commitment](#)
- [Americans for Limited Government \(ALG\)](#)
- [Americans for Tax Reform \(ATR\)](#)
- [Campaign for Liberty](#)
- [Center for Competitive Politics](#)
- [Center for Freedom and Prosperity](#)
- [Citizens Against Government Waste \(CAGW\)](#)
- [Citizens United](#)
- [Competitive Enterprise Institute \(CEI\)](#)
- [Concerned Veterans for America](#)
- [Faith and Freedom Coalition](#)
- [Freedom Partners](#)
- [Generation Opportunity](#)
- [Heritage Action](#)
- [The Jeffersonian Project of the American Legislative Exchange Council \(ALEC\)](#)
- [Koch Companies Public Sector](#)
- [The Leadership Institute](#)
- [The Madison Coalition](#)
- [National Rifle Association \(NRA\)](#)
- [R Street Institute](#)
- [Tea Party Nation](#)
- [Tea Party Patriots](#)
- [Taxpayers Protection Alliance](#)
- [Wall Street Journal](#)

COMMITTEE ACTION:

H.R. 5053 was introduced on April 26, 2016, and referred to the Ways and Means Committee. The Committee marked up the bill on [April 28, 2016](#), and reported it by a 23 – 15 vote.

ADMINISTRATION POSITION:

According to the [Statement of Administration Policy](#), “the Administration opposes H.R. 5053, the Preventing IRS Abuse and Protecting Free Speech Act, which would constrain the Internal Revenue Service’s (IRS) ability to enforce tax laws and reduce transparency”.

CONSTITUTIONAL AUTHORITY:

Congress has the power to enact this legislation pursuant to the following:

- a) Article I, Section 1, which states, "All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives"; and
- b) Article I, Section 7, which states, "All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills"; and
- c) Article I, Section 8, which states, "The Congress shall have Power To lay and collect Taxes," "To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes," and "To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

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