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IRS Is Sued For Investigating Churches

Church and state are supposed to be separate, so how come the IRS gets to decide what is religious and what is not? And why is the IRS investigating churches and other religious organizations? Is the IRS threatening churches on behalf of anti-religious crusaders? To get some answers, Judicial Watch has sued on behalf of the Alliance Defending Freedom for the release of documents regarding the IRS decision to reevaluate criteria for determining whether churches and other nonprofits can claim tax-exempt status. See [Alliance Defending Freedom v. Internal Revenue Service](#) (No. 1:15-cv-00525).

Judicial Watch filed the lawsuit after the IRS failed to comply with a request by the [Alliance Defending Freedom](#) seeking:

- All documents related to any existing, proposed, new, or adopted procedures for church tax inquiries or examinations from January 2009 to the present.
- All documents related to proposed or adopted changes to Treasury Regulations Section 301.7611-1 from January 2009 to the present.
- All documents related to new IRS policies or procedures referenced in a Freedom from Religion Foundation (FFRF) July 17, 2014 press release.



The IRS had promised (threatened?) to begin looking into specific churches and other groups, and to reevaluate IRS' criteria. The IRS isn't anxious to produce records, so Judicial Watch filed suit with some zingers:

“ As of the date of this complaint, Defendant has failed to: (i) determine whether to comply with the request; (ii) notify Plaintiff of any such determination or the reasons therefor; (iii) advise Plaintiff of the right to appeal any adverse determination; and/or (iv) produce the requested records or otherwise demonstrate that the requested records are exempt from production.

Judicial Watch [already sued](#) for related documents last year. In 2012, the Freedom from Religion Foundation filed suit alleging that the IRS had routinely ignored its complaints about churches promoting political candidates, issues or proposed legislation. In its [complaint](#), it alleged that 1,500 clergy members violated electioneering restrictions on Sunday, October 7, 2012. The atheist group cited church teachings against abortion and same-sex marriage as being in violation of the law. It also cited what it termed “blatantly political” full-page ads running in the three Sundays leading up to the presidential elections by the Billy Graham Evangelical Association.

Then, the FFRF abruptly dismissed its IRS lawsuit. A church represented by the [Becket Fund for Religious Liberty](#) intervened in the lawsuit to challenge the IRS's alleged authority to “revoke a house of worship's tax-exempt status, and levy fines against churches and individual leaders, when religious leaders are deemed to say things that the IRS does not allow.” [Alliance Defending](#)

[Freedom](#) and other religious organizations have challenged whether the federal government can restrict the speech of pastors.

In July 2014, [the IRS announced](#) that, according to the terms of an agreement reached with the FFRF, it had been monitoring churches and other houses of worship for electioneering and other political activity. According to a June 27, 2014 [IRS letter](#) to the Justice Department, the IRS has targeted 99 churches meriting “high priority examination” for allegedly illegal electioneering activities. This church-targeting was determined by an IRS “Political Activities Referral Committee.”

FFRF describes itself as “an effective state/church watchdog and voice for ... atheism, agnosticism, skepticism,” says the IRS agreement is a victory. The group’s homepage also list a [purported success](#) entitled, “FFRF erases bible quotes from Mo. school’s whiteboard.”

The emotions can run high. “It is an honor for Judicial Watch to represent Alliance Defending Freedom, which is so effective as a protector of the First Amendment, which recognizes the truth of God-given rights of Americans to both freely exercise their religion and participate in politics,” said Judicial Watch President Tom Fitton. “The IRS is using a lot of energy to cover-up details of its illicit targeting of churches. Violating FOIA law comes at great taxpayer expense.”

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