

# United States Senate

August 16, 2021

The Honorable J. Russell George  
Inspector General for Tax Administration  
U.S. Department of the Treasury  
1401 H Street NW, Suite 469  
Washington, DC 20005

Dear Inspector General George:

Churches and religious organizations, like many other charitable organizations, qualify for exemption from federal income tax under IRC Section 501(c)(3) and are generally eligible to receive tax-deductible contributions.<sup>1</sup> Nevertheless, recent events surrounding the determination of tax-exempt status of Christians Engaged<sup>2</sup> has focused our attention on the processes and procedures the IRS uses when determining whether a religious organization should be granted tax-exempt status,<sup>3</sup> while simultaneously generating broad concern over the standard of the IRS's neutral and respectful consideration of such applications.

Recently, some of our staffs participated in a productive discussion with IRS officials to walk through the processes and procedures the IRS has in place to ensure quality control when determining tax-exempt status. However, in the case of Christians Engaged, it appears that the quality control measures on which our staff were briefed have failed. The IRS outlined several steps in the process of determining whether an applicant legally qualifies for tax-exempt status, including initial review, optional engagement with the organization, acceptance for tax-exempt status or proposed denial, protest of a proposed denial, final approval or disapproval, and an appeals process. It is our understanding that numerous IRS agents, including those at the management level and higher, review each application. Agents are trained to process applications in a neutral fashion, void of politics or agents' personal beliefs, and with adherence to the law and the facts of each application.

With this process in mind, our concern for the neutral and respectful consideration of all applications, particularly for those with a religious or faith-based mission in light of the perceived hostility toward Christians Engaged in the IRS's proposed adverse determination letter, has grown. It is important to ensure that the multiple steps the IRS identified, including layers of "quality control" review, are indeed based on law and fact, and absent extraneous and inappropriate commentary. As an agency within the federal government, the IRS should take care to ensure no decisions are based on bias for or against a political or religious viewpoint.

An organization's particular religious character, affiliation, or exercise should have no bearing on the IRS's determination of such organization's qualification for tax-exempt status. It is not the role of the IRS or any other government agency to deny an otherwise available public benefit to an organization on account of its religious status.<sup>4</sup>

---

<sup>1</sup> <https://www.irs.gov/pub/irs-pdf/p1828.pdf>

<sup>2</sup> A nonprofit organization that educates and empowers Christians to pray for our nation and elected officials, vote, and be civically engaged.

<sup>3</sup> After public criticism and formal protest to the proposed adverse determination letter, the IRS issued tax-exempt status to Christians Engaged.

<sup>4</sup> [https://www.supremecourt.gov/opinions/16pdf/15-577\\_khlp.pdf](https://www.supremecourt.gov/opinions/16pdf/15-577_khlp.pdf)

For these reasons, we ask that your office review and report on the IRS's current review processes and procedures for making tax-exempt status determinations. In your report, please:

- Fully describe the process and layers of review the IRS Exempt Organizations unit follows when making determinations and issuing proposed adverse determination letters.
- Describe the training provided to IRS personnel who participate in tax-exempt status determination decisions or draft, related determination correspondence. Please include any information on whether a particular emphasis is placed on civil and Constitutional rights during such training. Also include information on how often the training is provided and whether training is different for agents at the management level and above.
- Describe how the IRS evaluates its own review process to determine its success. Please also include any remediation or sanctions processes that the IRS has in place if the review process fails, including when determinations are issued with biased, inappropriate, or extraneous commentary.
- Identify why the processes and procedures that involve numerous layers of quality control reviews, including to ensure that extraneous commentary is not included, failed in the proposed adverse determination of Christians Engaged's application, in which the IRS included what many would consider to be inappropriate and offensive normative and political commentary.
- Make recommendations on ways the IRS can improve its processes, procedures, reviews, communication, and training regarding determinations of tax-exempt status for applicant organizations, as well as IRS correspondence with such organizations.

Sincerely,



James Lankford  
United States Senator



Ben Sasse  
United States Senator



Kevin Cramer  
United States Senator



John Barrasso, M.D.  
United States Senator



Mike Braun  
United States Senator



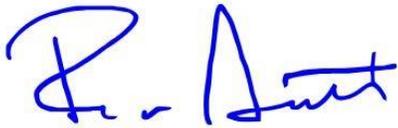
Todd Young  
United States Senator



Steve Daines  
United States Senator



James M. Inhofe  
United States Senator



Rick Scott  
United States Senator



Tim Scott  
United States Senator



Jerry Moran  
United States Senator



Cindy Hyde-Smith  
United States Senator



Marco Rubio  
United States Senator