

The Honorable Wayne Allard
Vice President, Government Relations
American Motorcyclist Association

Chairman Jordan, Ranking Member Cartwright and distinguished members of the subcommittee – thank you for inviting the American Motorcyclist Association to speak today and discuss the rule proposed by the federal Internal Revenue Service designed to provide guidance to tax-exempt organizations [Reg: 134417-13].

The AMA believes this rule will limit our ability to communicate with our members and will create a de facto blackout period during which our government will be less accountable to the people it serves.

Currently, the IRS provides a tax exemption for “civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare.”

The AMA is exactly the type of organization that lawmakers anticipated granting tax exempt status to when they drafted section 501(c)4 of Title 26. The AMA provides enormous social benefit to the motorcycling community. As an organization, we sanction about 3,000 competition and recreational events a year. In sanctioning with the AMA, event promoters and track owners agree to use the AMA rulebook and operate their events in a safe manner with set minimum insurance levels. As a result, participants in these events know they will be treated fairly and in a safe manner.

On the highway, we provide numerous benefits to our members -- including sanctioning charity rides – which include providing insurance and best practices to make the roadways safer for riders and drivers, providing roadside assistance to our members and educating and informing our members regarding congressional and regulatory actions.

The AMA represents the interests of our nation’s estimated 27 million motorcyclists and all-terrain-vehicle riders.

Any “fact-intensive” analysis that takes into account all of the “facts and circumstances” of the AMA and its functions would conclude that the AMA promotes the social welfare of motocross racers, recreational off-highway-vehicle riders, on-highway motorcyclists and drivers. We do not participate in elections!

Since 1984, the AMA has been classified as a 501(c)4 organization based upon this analysis. However, the IRS’ new guidance would force the AMA either to muzzle its advocacy efforts or lose its status as a tax-exempt organization.

The definition of candidate-related political activity the IRS proposes to use is arbitrary and limits free speech. For example, any communication mentioning an elected official’s name is

considered political activity during the 60-day period before a general election or 30-day period before a primary election.

This creates an odd situation. The timing of the speech is what makes it political, not the content.

According to the proposed rule it even includes material “without regard to whether the public communication is intended to influence the election or some other, non-electoral actions (such as a vote on pending legislation).”

As a result, the “new” definition of candidate-related political activity assumes that all congressional, regulatory and executive actions cease before an election.

We know this is not the case.

Legislative and regulatory business is conducted right up to an election.

This creates a de facto black out period during which citizens will find it much harder to gain information about the actions of their representatives and government.

The U.S. House of Representatives is scheduled to be in session for 12 days during the proposed rule’s “blackout period.” Additionally, the reauthorization of MAP-21 – our nation’s transportation bill and an important vehicle for road safety programs – may be debated and voted on during this time.

We must be allowed to communicate information about such issues to our members in a timely manner.

According to George Mason University’s United States Election Project, less than 54 percent of eligible voters cast a ballot in 2012. This is a decline of more than 3 percent from the 2008 presidential election.

At a time when the proportion of eligible voters casting a ballot is declining, the AMA opposes any efforts to restrict access to voter registration drives, voter guides and information related to their representatives’ voting records. In fact, this is a time when more voter education material is needed, specifically pertaining to issues Americans care about.

The proposed rule the IRS seeks to implement will stifle nonpartisan speech in a manner that leads to a less informed electorate. We believe that the changes proposed will prevent the AMA from educating voters and advocating for the social welfare of the motorcycling community.

Even the IRS agrees, stating in the rule itself: “More definitive rules might fail to capture (*or might sweep in*) activities that would (*or would not*) be captured under the IRS’ traditional facts and circumstances approach.” It is our understanding that the IRS hope to curtail electoral activity, but this rule is limiting our ability to educate our members about congressional and regulatory activity in keeping with our objective to promote the social welfare of the motorcycling community.

Thank you very much for your time and your consideration of the American Motorcyclist Association’s views.