

**TESTIMONY OF JENNY BETH MARTIN, PRESIDENT
TEA PARTY PATRIOTS**

**SUBCOMMITTEE ON ECONOMIC GROWTH, JOB CREATION AND
REGULATORY AFFAIRS HEARING
OF THE
HOUSE COMMITTEE ON OVERSIGHT & GOVERNMENT REFORM ON
FEBRUARY 27, 2014**

Chairman Jordan and Members of the Subcommittee:

Thank you for the opportunity to appear here today and to discuss with the Subcommittee the proposed IRS regulations, and how those regulations will intimidate and silence grassroots public interest organizations.

Tea Party Patriots, Inc. is the largest of the tea party grass roots organizations. Today, we are hosting in this city a celebration of the five-year anniversary of that movement. On February 27, 2009, Americans met in 48 different cities to protest the wasteful, profligate, and out-of-control spending that we saw in Washington. The tea party groups that grew out of that protest represent the largest grass roots response to government overreach that this country has seen since its founding.

Tea Party Patriots is guided by and empowers more than 3,000 local grass roots organizations. Those organizations deal with a variety of local issues, and we all agree on three core values of fiscal responsibility, constitutionally limited government, and free markets. Everything that Tea Party Patriots does is focused on advancing one of those core values. We provide training and resources to local groups, and we serve as a megaphone to transmit their concerns to elected officials.

For these past five years, we and our local groups have worked, educated, organized, networked, rallied, met and tirelessly tried to put the brakes on government policies that we believe are harmful to the American economy and the American dream that we want to pass on to our children.

It is ironic that today, the fifth anniversary of the tea party movement, is also the deadline for public comments on the Internal Revenue Service's proposed regulations for certain nonprofit groups. If adopted, those regulations will permanently silence grassroots organizations within the tea party movement. They

will silence not only our local groups, but *any* citizens' organization, regardless of its philosophical leanings or beliefs. I know this because Tea Party Patriots has lived under this scrutiny for the past three years.

On December 17, 2010, Tea Party Patriots applied for tax-exempt status under section 501(c)(4) of the Internal Revenue Code. Our sister organization, Tea Party Patriots Foundation, applied for tax exemption under section 501(c)(3). The IRS never acknowledged Tea Party Patriots' application. Fourteen months later, in February 2012, the IRS sent exhaustive requests for more information about our activities. Tea Party Patriots responded with almost two boxes of documents. We heard nothing more until May 2013, when we learned from news reports that the IRS had targeted groups with "tea party" or "patriots" in their name. Tea Party Patriots quite naturally believed that we were in that targeted group.

Even after admitting that it had targeted groups, and a TIGTA report detailed the abuses, the IRS still did not let up. In August 2013, the IRS requested yet more documents and information. It asked us to provide, for example, all fundraising communications for the 60 days before the November 6, 2012 election, and all materials that we used in various "Get Out the Vote" activities. That request made no sense under the current standards for evaluating non-profit applications. The regulations proposed three months later, however, explain the requests, as they include specific provisions classifying any mention of a candidate's name within 60 days of an election and get-out-the-vote efforts as taxable political activity.

We provided yet more boxes of documents to the IRS. Nevertheless, as of today, 3 years, 2 months, and 11 days after our application, we have not received a decision about our tax-exempt status. Two weeks ago, Tea Party Patriots Foundation finally received its tax-exempt status letter, a mere 1155 days after it applied.

Let me be very clear: Tea Party Patriots does not engage in *any* political activities. We made a decision from the beginning not to engage in any political or campaign activities because we did not want to run afoul of the law – even though the law *allows* us to conduct *some* political activities. We have scrupulously avoided campaign and political activities since our incorporation, but we *still* have not been able to satisfy the IRS that we deserve our tax-exempt status.

Over the past four years, Tea Party Patriots has assisted local organizations with activities that the IRS for five decades has not classed as political activity.

We have produced voter guides, hosted candidate debates, encouraged voter registration, supported get-out-the vote efforts, and assisted local groups in lobbying on specific local and national legislation. We have invited members of Congress to speak at our rallies and events, not as candidates, but as experts on important topics. We have posted news about national events on our social media sites. The current rules recognize all of those activities as non-political. The proposed rules would classify all of them as political.

Attached to my testimony are the Comments that Tea Party Patriots is submitting today to the IRS. We believe that those comments reflect the views of millions of Americans, and accurately assess the dangers that these regulations pose to 501(c)(4) groups. The reason that Americans form organizations is because we need a place to meet. We need tools to communicate with each other. Places and tools are not free -- and we don't expect them to be. We want to pay for them. We want to abide by the rules and track the money according to accepted procedures. The new regulations, however, go beyond accountability and into censorship.

Tea Party Patriots has had to spend thousands of hours and tens of thousands of dollars, mostly from small donors, in attorney and accountant's fees to satisfy a government bureaucracy that refuses to be satisfied. Even after all of that time and expense, the IRS still refuses to tell us whether it will acknowledge our tax exempt status. No citizen, whether liberal or conservative, tea party or progressive, should have to suffer like this.

The problems with the proposed regulations are myriad, but let me explain just a few of the worst effects. The proposed rules would interfere with Tea Party Patriots' relationships with the local groups and volunteers who are the heart of the tea party movement. The changed regulations attribute to us the time of all of our volunteers, a standard that clearly interferes with those volunteers' freedom of association and freedom of expression. It also places an onerous burden on us, diverting us from our core activities to track the activities of thousands of volunteers. Smaller groups simply will not have the resources to document volunteer hours, and will give up.

Tea Party Patriots provides grants to local groups, always with the requirement that the grants not be used for any political activity. Under the proposed regulations, those groups' independent decisions to use other funds for candidate-related political activity, even anything as innocuous as a local candidate

forum, will become political activity on our part. That broad standard will gut our ability to direct financial resources to grass roots groups.

The proposed regulations would censor our Internet communications. Under the proposed standard, Tea Party Patriots would not be able to mention any politician by name on its website within 30 days of a primary. Within 60 days of a general election, we cannot mention either politicians or political parties. As a national group, we will have to scrub our website before any primary or general election anywhere in the country. We will not be able to tell American citizens something as basic as which of their elected representatives voted for controversial legislation, such as the Affordable Care Act.

The proposed rules would restrict nonpartisan voter registration and voter education activities of 501(c)(4) groups, while allowing unions, trade associations, and other nonprofits – in fact, *any* group other than a 501(c)(4) – to engage in those important activities. Such voter suppression in any other context would be clear and unacceptable.

Local groups and Tea Party Patriots would no longer be able to host candidate debates, candidate forums and presentations by public officials who are also candidates for office. Americans would no longer be able to meet with candidates and ask them direct questions. Rather, they could receive information only from 30-second media ads.

The proposed rules would attribute to a citizens group the value of ‘remarks’ by leaders of or volunteers discussing a candidate. Thus, if I were quoted in the *New York Times* about a Senate candidate during September of this year, Tea Party Patriots would be required to place a monetary value on that news report, and count it against the organization’s primary purpose. That interference with a free press and free speech cannot enrich our public conversation.

Tea Party Patriots vehemently opposes these proposed IRS regulations for 501(c)(4) organizations and we urge Congress to stop the IRS from implementing them. We oppose these proposed regulations *not* because Tea Party Patriots wishes to engage in political activities (as presently defined); rather, we oppose these proposed regulations because of the permanent damage they would do to the *non-political* advocacy of every grassroots citizens’ organization in America. The IRS should not be engaged at all in attempting to regulate, restrict or encumber the protected First Amendment rights of the American people.

The proposed rules will not only limit free speech, but they create cracks in the trust that is the foundation of our government. A government of the people and by the people must trust the people, and the people must trust the government. When the people are afraid of a government agency, when they see that agency as a bunch of thugs who abuse power, the trust is shattered. A free people should not fear a politicized bureaucracy that delves into their social media, communications, and records to determine what they said, whom they heard speak, and what they think about their government.

We need to fill the cracks in the foundation, solve this problem and a host of others, not by adding more rules to the 67,000 pages of tax code, but by replacing it all with a flat, fair rate. Until then, Mr. Chairman, we ask that you and others in our government will stop this infringement on the rights of the American people to freely associate, speak their minds, and petition their government.

Thank you.