

Internal Revenue Service

ID: LFG-2015-IRS-0012

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Sent via: Mail and Email

September 13th, 2015

RE: Internal Revenue Service Form 990 Public Comment

Internal Revenue Service,

My name is Isaiah X. Smith and I am submitting you this letter for the purpose of being involved in the “**public comment**” of the 990 Form that pertains to tax exempted organizations. In this letter I will be stating to the Internal Revenue Service my position on this issue and ways the Internal Revenue Service can help make sure that all tax exempted organizations are treated the “**same**” by policy.

I. General Information on IRS 990 Forms

The Internal Revenue Service 990 Form is a report of data from organizations that are exempted by federal income taxes pursuant to the Internal Revenue Code. “Typically” speaking “all” organizations are required to file IRS 990 Form or a form similar to the 990 Form, except for churches and “religious organizations.”

The 990 Form provides financial information about a registered tax exempted organization to the public because tax exempted organizations are often considered to be public trusts or public interest organizations, as described in **Roman Number II below**. The 990 Form is often used by governmental bodies to help prevent and to cease-and-desist abuses in a tax exempted organization. When an abuse is discovered in a tax exempted organization, the Internal Revenue Service or a governmental body can use the 990 Form as an “**enforcement tool**” for the purpose of making sure that the organization is in compliance with the rules and the regulations that are established.

II. Special treatment and favoritism to “one” class or group is discriminatory in regards to the other class or group

Every organization exempt from federal income tax under Internal Revenue Code section 501(a) must file an annual information return. Churches and “religious organizations” are exempted. For instance, organizations that are exempt under **IRC 501(c)(3)** generally have to file either the IRS Form 990 or the 990 PT information return. **See Title 26 U.S.C. §6033(a)(1); 26 U.S.C. §1.6033-2(a)(2)(i).**

Tax exempted organizations are considered by many to be “**public trusts**” and “public interest organizations.” Those are organizations that the public benefits from. Organizations that are helping to serve the community. Those types of groups started in England. **See Bob Jones Univ. v. U.S., 461 U.S. 574, 588 (1983)**. Therefore most churches and “religious organizations” that have been registered as tax exempted organizations have a primary purpose as to being involved in service to the community. It is thus imperative for members of the public to have access to all of the data that is listed in the 990 Forms of all tax exempted organizations, religious and non-religious. It is extremely unfair to treat “**one**” class or group differently from the “another” class or group. All groups or classes of organizations exempted under the Internal Revenue Code must be treated the same. None are superior or inferior to each other.

- III. Most tax exempted organizations are “public interest organizations” and “public trusts”**
Members of the general public are entitled to the disclosure of “**specific**” tax documents that are filed to the Internal Revenue Service, pursuant to the Taxpayer Bill of Rights and any other non-mentioned policies and regulations of the Internal Revenue Service. By exempting churches and “religious organizations” from filing the 990 Forms, the Internal Revenue Service is preventing members of the general public from monitoring the income data of tax exempted churches and religious organizations. That practice shows individuals that the Internal Revenue Service treats certain tax exempted organizations differently than others by showing favoritism to one class or group of organizations over others.

The Internal Revenue Service is a governmental agency and all actions by and from the agency must be in compliance with all of the restrictions that are set forth in the Establishment Clause. **See Everson v. Board of Education, 330 U.S. 1 (1947)**. The government is not allowed to favor religion over non-religion, or a religious ideology over another. By the Internal Revenue Service exempting a certain class or group of organizations from filing the 990 Form because of a sole “**religious**” status, the IRS is violating the Establishment Clause and other Clauses to the Constitution of the United States.

- IV. All organizations have to be in compliance with the rules listed in the Internal Revenue Code that are approved to be “tax exempted” by the Internal Revenue Service**
With respect to the Internal Revenue Code, approved tax exempted religious organizations and churches are not immune from abiding by the code. Once the Internal Revenue Service approves of an organization to become a tax exempted organization under the IRC, that organization has a duty to abide by all of the rules and the regulations listed in the Internal Revenue Code. A religious organization must satisfy the legal requirements in order to be or to remain exempt under **Internal Revenue Code 501(c)(3)**. As explained in **Christian Echos National Ministry. Inc. v. United States, 470 F.2d 849 (10th Cir. 1972), cert. den., 414 U.S. 864 (1973)**, a court upheld the denial of the tax exemption of a religious organization because that organization was being involved in substantial legislative activity, “[i]n light of

the fact that tax exemption is a matter of grace rather than right, we hold that the limitations contained in Section 501(c)(3) withholding exemption from nonprofit corporations [that engage in substantial lobbying] do not deprive Christian Echoes of its constitutionally guaranteed right of free speech. The taxpayer may engage in all such activities without restraint, subject, however, to withholding of the exemption, or, in the alternative, the taxpayer may refrain from such activities and obtain the privilege of exemption." **See also Freedom From Religion Foundation Inc. v. Internal Revenue Service (in which a settlement agreement was made in which the Internal Revenue Service has agreed to enforce its policy regarding tax exempted organizations that are involved in political campaigning.)**

In all of the aforementioned cases listed above, it appears that the courts or settlement agreements have been made that clearly either upheld the Internal Revenue Code or forced the Internal Revenue Service to treat all tax exempted organizations the same by making sure all organizations exempted under the **Internal Revenue Code 501(c)(3)** are all abiding by the law because "**religious organizations**" and churches are not immune to the law.

V. IRS Policy that allows churches and religious organizations to be exempted from filing 990 Forms makes it easier for corruption and abuse to the system to occur

As a concerned and informed citizen of the United States, it is extremely imperative for citizens to monitor the financial data of tax exempted organizations because those organizations are known to the public as "**public trusts**" or "**public interest organizations.**" By the Internal Revenue Service refusing to make "all" tax exempted organizations file the IRS 990 Form or some version of the 990 Form, you are preventing concerned individuals from monitoring the financial data of those organizations and you are openly allowing corruption and an abuse of the system to occur unmonitored. By doing so the Internal Revenue Service is also making it easier for those types of aforementioned entities to get away with breaking the rules, if any are occurring.

VI. What the Internal Revenue Service can do for the purpose of making sure that all exempted entities are treated the same

It is my understanding the Internal Revenue Service has the power to create and to enforce "**administrative regulations**" with respect to the IRS 990 Form or a Form similar to the 990 Form. If those types of regulations are established, they should be created for the purpose of making sure that all are treated the same and that all of the Internal Revenue Service's policy is being followed. It is imperative of the Internal Revenue Service to create "**administrative regulations**" regarding the issues listed above in this letter because there are many "non-religious" organizations that feel left out and discriminated against. They feel this way because the Internal Revenue Service appears to be favoring religious organizations over non-religious ones by allowing one group to be exempted from filing the 990 Form while demanding the 990 Form be filed out by "non-religious" organizations.

It is not unconstitutional to make “all” organizations follow the same rules and regulations, however allowing one “class” or “group” of organizations to be exempted from the same policies that everyone else (other organizations) has to follow appears to be unconstitutional. All must be treated the same way. Making an exempted church or religious organization file a 990 Form annually is not unconstitutional because those organizations made the decision to file with the Internal Revenue Service as tax exempted religious entity. Thus they have agreed abide by policy of the Internal Revenue Service when the signed up.

The Internal Revenue Service is not required to exempt organizations from filing the 990 Form due to a “religious” status. In **Texas Monthly v. Bullock 489 U.S. 1 (1989)**, the U.S Supreme Court ruled that [neither the Free Exercise Clause nor the Establishment Clause prevents the State of Texas from withdrawing its current exemption for religious publications....]. The Free Exercise Clause and the Establishment Clause do not require the Internal Revenue Service to exempt only” religious” organization from filing the 990 Form. There are also no U.S Supreme Court rulings that can be made to back up an argument disfavoring my “**equal treatment**” argument.

VII. Conclusion

In conclusion it is extremely imperative for the Internal Revenue Service to adopt policy, rules and procedures that treat and judge all organizations the same, religious and non-religious. Please do so by establishing and enforcing “**administrative regulations.**” Requiring non-religious organizations to file 990 Forms while exempting religious organizations is discriminatory and makes it seem as if the Internal Revenue Service is favoring a particular class or group of organizations over others. Religious organizations and churches are not more of an importance to non-churches or to non-religious organizations. No organization is superior or inferior to each other. All organizations should be judged and treated the same by the Internal Revenue Service.

It is of my hope that the Internal Revenue Service would make churches and religious organizations conform to the same IRS requirements as all other 501(c)(3) groups. At a minimum, the Internal Revenue Service should require “**ALL**” tax exempted organizations and churches to file an annual notice with the Internal Revenue Service that they are claiming tax exemption. Taxpayers, who are subsidizing tax-exempt groups, have a right to know what entities are exempt from taxation and to review general financial disclosures. All non-profit organizations should be treated equally, regardless of whether they espouse a religious or a non-religious position. That is my position on this important issue.

I would like to point out that this letter is not legal advice and is not intended to be seen or viewed as legal advice. Under the First Amendment of the Constitution of the United States and under the Universal Declaration of Human Rights, I have a right to express my opinion appropriately on this issue.

VIII. Acknowledgment letter

The Internal Revenue Service and Treasury Department have asked for public comments about the 990 Form. Therefore I have and I am officially submitting a comment regarding that issue by sending this letter. If the Internal Revenue Service needs to send me an acknowledgement letter or any type of notification in the form of a letter, please write to me as follows:

Isaiah Smith Campaign

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Fort Worth, Texas, 76161

Respectfully,

Isaiah X. Smith

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