

# IRS Issues Proposed Regulations Eliminating Donor Disclosure Requirement for Certain Tax-Exempt Organizations

---

September 2019

The Internal Revenue Service (IRS) recently announced that it was proposing regulations to eliminate donor reporting requirements for certain tax-exempt organizations. This is the latest salvo in the battle over whether 501(c)(4) organizations (referred to by some as “dark money” organizations) must disclose the identity of their donors.

As *Election Law News* reported back in July 2018, the IRS issued a revenue procedure that purported to eliminate the requirement that 501(c) organizations (other than 501(c)(3) organizations) report the names and addresses of their donors on Schedule B of Form 990. That decision was challenged in court, and a few weeks ago, a federal judge in Montana set aside the IRS’s action on the basis that the IRS did not follow the notice-and-comment requirements of the Administrative Procedure Act.

In response, the IRS has issued proposed regulations, which would, among other things, “clarify that the need to provide the names and addresses of substantial contributors will generally apply only to tax-exempt organizations described in Section 501(c)(3) [and section 527 political organizations].” In the background section, the IRS emphasized that it “does not need the names and addresses of [donors] in order to carry out the internal revenue laws” and that the proposed regulations “will have no effect on information currently available to the public.” The IRS explained that requiring such donor information (i) increases compliance costs for organizations; (ii) consumes IRS resources in connection with mandated redactions; (iii) has resulted in inadvertent public disclosures; and (iv) is unnecessary because the IRS can obtain the information from organizations during

## Authors

---

Thomas W. Antonucci  
Partner  
202.719.7558  
tantonucci@wiley.law  
Carol A. Laham  
Partner  
202.719.7301  
claham@wiley.law

## Practice Areas

---

Election Law & Government Ethics

audit examinations.

Exempt organizations will continue to be required to report the *amounts* of contributions on Schedule B, and must maintain a record of the names and addresses of substantial contributors. The regulations, if adopted as final, would go into effect for all tax returns filed after September 6, 2019.

The comment period is open for 90 days after publication – i.e., until December 9, 2019.

[If you have any questions about the proposed regulations or your organization’s Form 990 reporting requirements, or would like assistance in submitting comments to the IRS, please contact:

Thomas W. Antonucci  
tantonucci@wiley.law  
202.719.7558