



The Case for Supporting Progressive Agendas with 501(c)(4) Advocacy

When *Citizens United v. FEC* was decided by the U.S. Supreme Court on January 21, 2010, the rules governing corporate participation in elections were dramatically changed. Although many individuals object to the decision and the power it gave corporations to influence elections, the fact is that *Citizens United* affected *all* corporations, including 501(c)(4) nonprofit organizations, as well as labor unions. The same doors that opened for increased campaign spending by business interests opened for groups like the Human Rights Campaign, the Sierra Club, NARAL Pro-Choice America, or any group organized as a 501(c)(4).

Those rules provide an opportunity for donors seeking to promote progressive issues and candidates. *Citizens United* gave progressive 501(c)(4) entities now have the flexibility to more actively promote change through electoral, legislative, and regulatory processes.

It's no secret that conservative organizations and funders have been extremely aggressive in using 501(c)(4)s to support their agendas. But rather than ceding the (c)(4) arena to those whose agendas are anathema to progressive values, donors should understand the scope of legally permissible avenues for their participation and the role they can play in countering efforts by the right to dominate policy discourse and the political process.

501(c)(4)s Leverage Your Donation

As an individual, you are permitted to give to federal political candidates of your choice, but you are limited to \$2,700 per candidate, per election. In contrast, you can donate an unlimited amount to a 501(c)(4)¹ organization, which can be combined with other individuals or corporate entities to run ads, hold events, publish voting guides, or knock on doors to reach hundreds, thousands, or even millions of voters. The 501(c)(4) you support cannot directly give money or in-kind support to candidates for federal office, but it can endorse candidates who care about the issues you care about—or oppose those who do not—and educate its supporters and the public about candidates and legislation that reflect progressive values and beliefs.

¹ While the IRS had long taken the position that donations to 501(c)(4)s above a certain threshold were subject to the gift tax, this position was declared incorrect with the passing of the [Fair Treatment for All Gifts Act](#) in 2015. Though the IRS had not been applying the gift tax to 501(c)(4) contributions since 2011, the Act formalizes this policy and is a welcome win for advocacy organizations and those who contribute to such organizations.



501(c)(4) nonprofits have always been able to engage in lobbying, conduct voter education and get-out-the-vote initiatives, and even support or oppose candidates for public office under certain circumstances. But now they are free to spend funds promoting candidates as long as they follow the rules governing independent expenditures, avoid coordinating their efforts with federal candidates, and do not engage in partisan electoral activity as their primary purpose.

Candidates Come and Go—Issues Stay

Progressive 501(c)(4)s exist not just to influence elections (in fact, the law says that cannot be their primary purpose), they also support issues and causes, and work to further those issues day in and day out. Their influence can also be augmented by their ability to complement the work of 501(c)(3)s, unions, and others to promote and oppose policies, making 501(c)(4)s an excellent vehicle with which to fight for your values and issues. In many ways, 501(c)(4)s provide the lasting organizational infrastructure for the progressive agenda, both within the election cycle and outside of it. The rules enable you to play a role in building an enduring framework for long-term policy and electoral success, which may be of equal or greater value than supporting individual candidates depending on your objectives.

Additionally, although 501(c)(4)s are required to report to the IRS the names of donors who have given more than \$5,000 during the year, the rules permit organizations to redact the names of donors from the forms made available to the public. Donations given for the specific purpose of making an independent expenditure in support of or opposition to specific federal candidates must be reported to the Federal Election Commission. General support contributions from a donor to a 501(c)(4) are not reported on the forms filed with the FEC.

Now is the time to invest in 501(c)(4) organizations to build an effective long-lasting infrastructure for defending progressive issues and values.

For additional information, please feel free to contact Alliance for Justice Action Campaign at 866-NPLOBBY.

The Alliance for Justice Action Campaign (AFJAC) serves as the nation's leading resource on the legal framework for 501(c)(4) nonprofit advocacy efforts. AFJAC provides invaluable resources, training, and technical assistance to help nonprofit organizations and their donors advocate more efficiently and effectively. The information contained in this fact sheet and any attachments is being provided for informational purposes only and not as part of an attorney-client relationship. The information is not a substitute for expert legal, tax, or other professional advice tailored to your specific circumstances, and may not be relied upon for the purposes of avoiding any penalties that may be imposed under the Internal Revenue Code. Alliance for Justice Action Campaign publishes plain-language guides, offers educational workshops, and provides technical assistance for nonprofits engaging in advocacy.