



**Testimony in Opposition to SB 644**  
**Jim White**  
**Nonprofit Association of Oregon**

February 4, 2025  
Senate Committee on Human Services

For the record, my name is Jim White, executive director of the Nonprofit Association of Oregon. I am testifying today to oppose SB644 and clarify what political activities are permitted under the IRS tax code for 501c3 charitable nonprofits.

NAO is a registered 501(c) (3) nonprofit organization representing over 1,100 charitable nonprofit organizations and affiliate members across Oregon. Our members are located throughout the state and come from all areas of the nonprofit sector serving our communities, including education, disaster recovery, health and human services, the arts, and environmental protection and veterans' services. NAO's mission is to strengthen the collective voice, leadership and capacity of Oregon nonprofits to enrich the lives of all Oregonians. More information about our many programs and services can be found at [www.nonprofitoregon.org](http://www.nonprofitoregon.org).

At NAO, we encourage 501c3 nonprofits to participate in the democratic process. 501c3 nonprofits bring important perspectives that benefit our democratic process. Nonprofits play a key role in our civil society. We provide training and technical support to nonprofits. We want nonprofits to know and exercise their rights and responsibilities when advocating and lobbying. We teach nonprofits to keep good records of their lobbying activities and expenses and ensure they are doing that work within the requirements of the law.

- [Under IRS code](#), 501c3 charitable nonprofits are permitted to participate in a range of advocacy and lobbying activities. These activities range from lobbying for or against legislation, endorsing or opposing ballot measures, to educating the public and candidates on issues within the purview of the nonprofit.
- 501c3 nonprofits can also host a debate, register voters, conduct get-out-the-vote drives, and distribute voter guides. These activities are permitted if they do not endorse or oppose specific candidates or partisan groups.
- The IRS does impose limitations or restrictions on these activities. 501c3 charitable nonprofits are NOT permitted to endorse or donate to candidates for public office, political parties or partisan organizations.



- Another limitation is lobbying. Lobbying for or against legislation is permitted as long as it is not [a substantial part of the 501c3's budget](#). Nonprofits are required to keep records of their lobbying activities and expenses.
- Individuals that work for a 501c3 nonprofit are entitled to participate in our democratic process as private citizens. This includes partisan activities as long as they don't imply or state that their participation is representative of their nonprofit employer. They don't lose their right to participate just because they work for a nonprofit.
- For example, a 501c3 nonprofit can conduct a voter registration drive within their service area. It cannot selectively choose to conduct the drive in specific areas that are more likely vote Democratic or Republican or any other party.
- Another example, a 501c3 nonprofit can distribute a voter guide on candidates on a broad range of issues. It cannot distribute voter guides on selective issues that benefit one candidate over another.
- It cannot donate the use of their property as an in-kind donation to a candidate or political organization.
- There is confusion and public misperceptions on what nonprofit can or cannot do. Most often this has to do with 501c4's. [501c4's are considered nonprofits under the IRS tax code](#).
- 501c4 nonprofits don't have the same limitations on political activity that 501c3's nonprofits do. Therefore donations to a 501c4 are not tax deductible.
- In addition to unlimited lobbying, a 501(c)(4) is permitted to engage in a limited amount of political activity (so long as it is not the primary purpose of the organization).

Regarding SB 644, we believe that it is not necessary for a legislative committee to audit a charitable nonprofit's political activities. We believe it sends the wrong message to nonprofits: that they should not practice their legal right to engage in the democratic process because they might get audited by a legislative committee. Nonprofits should not live in fear of a legislative committee audits if they disagree on policy with a legislator. SB 644 would have a chilling effect. It would discourage nonprofits from participating in policy making. **For those reasons, we oppose the passage of SB 644.**

I'm happy to answer any questions that you might have regarding what the permitted activities are for 501c3 nonprofits in regard to advocacy, lobbying or anything else.



Nonprofit Association of Oregon  
4800 S Macadam Ave. Ste 325  
Portland, OR 97239  
[www.nonprofitoregon.org](http://www.nonprofitoregon.org)

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**Resources the Committee might find useful:**

[Lobbying for charities | Internal Revenue Service](#)

[Measuring lobbying: Substantial part test | Internal Revenue Service](#)

[2024 Schedule C \(Form 990\)](#)

[Comparison of 501\(c\)\(3\) and 501\(c\)\(4\) Permissible Activities - Alliance for Justice](#)  
(Also attached)

## Comparison of 501(c)(3) and 501(c)(4) permissible activities

This fact sheet provides examples of the kinds of advocacy activities that 501(c)(3) public charities and 501(c)(4) social welfare organizations are permitted to do under federal tax law. Under federal tax law, partisan political activity cannot be the primary purpose of a 501(c)(4) organization. **When engaging in political activity, organizations must comply with federal, state, and local election law.** See [The Connection: Strategies for Creating and Operating 501\(c\)\(3\)s, 501\(c\)\(4\)s and Political Organizations, 3<sup>rd</sup> Ed.](#) and [The Rules of the Game, A Guide to Election-Related Activities for 501\(c\)\(3\) Organizations, 2<sup>nd</sup> Ed.](#) for more details about the activities described below.

<b>Activity</b>	<b>501(c)(3) Public Charity</b>	<b>501(c)(4)</b>
Lobby for/against legislation	Limited	Unlimited
Support/oppose ballot measures	Limited	Unlimited
Conduct public education and training sessions about participation in the political process	✓	✓
Educate candidates on issues within purview of the organization	✓ (must offer information to all candidates)	✓
Sponsor a debate between candidates, where all viable candidates are invited and given equal opportunity to speak on a broad range of issues	✓	✓
Distribute voter guides to the public that set out the candidates' views on a broad range of issues	✓	✓
Distribute voter guides to the public that compare candidates on issues of importance to the organization	✗	✓
Rent mailing lists and facilities at fair market value to other organizations, legislators, and candidates	✓ (if rent, must allow any candidate to rent)	✓ (may rent to select candidates only)
Conduct nonpartisan get-out-the-vote activities, voter registration, and education drives	✓	✓
Conduct voter registration and GOTV activities based on party affiliation or how people will vote	✗	✓

Conduct nonpartisan voter protection activities	✓	✓
Establish a 501(c)(4)	✓	✓
Endorse candidates and publicize its endorsements	✗	✓
Fund independent expenditures in support of or opposition to a candidate	✗	✓
Make campaign contributions (monetary or in-kind)	✗	Depends on election law (prohibited for federal candidates; permissible in some states)
Establish and pay for the administrative and fundraising costs of a connected political organization (separate segregated fund)	✗	✓
Criticize sitting elected officials	✓ (may not attack their personal characteristics or attack them in their status as a candidate)	✓
Compare organization's issue position with that of a candidate	✗	✓
Connect organization's criticism of public official to voting in an election	✗	✓
Highlight the differences between candidates for public office on a high-profile issue on which the candidates have diverging views	✗	✓
Ask candidates to sign pledges on any issue	✗	✓
Post partisan political messages on Facebook, Twitter, or Tumblr	✗	✓

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