

Congress of the United States
Washington, DC 20515

September 1, 2020

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

Dear Commissioner Rettig:

As members of the House Ways and Means Committee and the House Oversight and Reform Committee, we write today to express our serious concerns about the continued tax-exempt status of the National Rifle Association (NRA) and NRA Foundation. The Ways and Means Committee takes seriously its responsibility to exercise rigorous oversight of the administration of our federal tax laws by the Internal Revenue Service (IRS), and the Oversight and Reform Committee is the principal oversight committee of the House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. Together, we would like to ensure that these tax-exempt organizations are operating within the spirit and letter of the Internal Revenue Code (IRC).

We are increasingly concerned about the need for an investigation into the NRA, which has been granted tax-exempt status under Section 501(c)(4) of the IRC, and the NRA Foundation, which has been granted tax-exempt status under Section 501(c)(3) of the IRC. Tax-exempt organizations must adhere to strict, specific requirements to retain their exemption from federal tax—and no tax-exempt organization is above the law.

As most recently highlighted by allegations against these organizations filed by the Attorneys General of New York and the District of Columbia, and supported by an independent investigation by a member of the Ways and Means Committee, both the NRA and the NRA Foundation are accused of a disturbing pattern of abusing their not-for-profit status. Legal complaints filed by the Attorneys General of New York and the District of Columbia further document the ways in which the NRA and the NRA Foundation persistently operated in a manner that flew in the face of their not-for-profit status.

As a New York charity, the NRA is legally required to serve the interests of its membership and advance its charitable mission.¹ The lawsuit filed by the New York Attorney General outlined a pattern of egregious self-dealing by directors or members in control of the organizations, looting corporate assets solely for personal benefit, and using vendors and contractors to hide improper use of funds or conflicts of interest. All these actions were taken in an effort to divert “millions of dollars away from the charitable mission, imposing substantial reductions in its expenditures for core program services, including gun safety, education, training, member services, and public

¹ *New York vs. NRA, et. al.*, Plaintiff Preliminary Statement at Pg. 6 (Aug. 6, 2020), https://ag.ny.gov/sites/default/files/summons_and_complaint_1.pdf

affairs.”² Equally concerning, it’s alleged that whistleblowers who spoke up within the NRA were “quashed or ignored.”³

These allegations in these two complaints raise questions as to the federal tax-exempt status of both organizations. It is the IRS’s responsibility to ensure tax-exempt organizations operate within the requirements of Section 501(c) of the IRC and the specific rules and regulations qualifying organizations must follow to enjoy tax-exempt status. Tax-exempt status is a privilege – the American people rightly expect any organization that skirts the rules for personal gain be excluded from this privileged status.

We are concerned that the allegations made by the Attorneys General of New York and the District of Columbia outline not only ongoing abuse at the NRA and NRA Foundation, but also a long-term pattern of diminished enforcement by the IRS. Without proper enforcement of these tax provisions, the American people are effectively subsidizing self-dealing and gross mismanagement within organizations like the NRA and NRA Foundation that appear to have grossly abused their status.

In light of this new information, we respectfully ask that you review whether the recent allegations against the NRA and NRA Foundation warrant reconsideration of the organizations’ federal tax-exempt status under Sections 501(c)(3) and (c)(4) of the IRC. Should you determine the IRS lacks the sufficient resources or information to undertake a thorough review, we ask that you provide recommendations to Congress on how we can best ensure the IRS is able to enforce the requirements for tax-exempt organizations.

Tax-exempt organizations are sewn into the fabric of American society and play a critical role in improving the lives of millions of Americans. We must ensure the American people can trust that our tax laws are properly enforced. When there are instances of abuse, it is incumbent on the Executive Branch and Congress to investigate and act. Our request for an IRS review is irrespective of any policy differences we may have with the NRA; our request is based upon the foundational principle that tax-exempt organizations must play by the rules in order to enjoy their privileged status. No organization that wantonly and repeatedly abuses these rules in order to advance and enrich the financial interests of its leaders should be allowed to enjoy privileged tax-exempt status.

Thank you in advance for your consideration of our request.

Sincerely,



Bradley S. Schneider
Member of Congress



Jimmy Gomez
Member of Congress

² *New York vs. NRA, et. al.*, Plaintiff Preliminary Statement at Pg. 6 (Aug. 6, 2020), https://ag.ny.gov/sites/default/files/summons_and_complaint_1.pdf

³ *Ibid.* pg. 9

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