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## United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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October 10, 2019

### VIA ELECTRONIC TRANSMISSION

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

Dear Commissioner Rettig,

Last week two of my colleagues in the Senate sent you a letter pressuring you to use the IRS “to fully investigate the [National Rifle Association’s] activities to determine whether the NRA’s tax exemption should be disallowed.”<sup>1</sup> Their letter follows closely on the heels of a report drafted by the Senate Finance Committee minority staff that demonstrates nothing that reasonably calls into question the organization’s tax-exempt status under the law. Rather, the request appears to be a partisan one. The IRS is not a political weapon, and it should not be used as such.

As the Committee’s Majority staff report noted, “[t]he Minority report uses terms like ‘raises concerns’ in an attempt to embarrass the NRA while absolving the Minority from having to assert any serious factual or legal analysis.”<sup>2</sup> The Minority report focuses on certain NRA personnel who traveled to Russia in December 2015 for a goodwill trip. After reviewing nearly identical evidence as the Minority staff at great length, it was clear to the Majority staff that nothing in those documents reasonably raises questions about whether the NRA should maintain its tax-exempt status under the tax code. Indeed, rather than present a careful and serious analysis, the Minority staff report offers incendiary conclusions unsupported by paragraphs full of belabored references to behavior that “raises serious” but undefined “concerns.” Even the cover of the Minority staff report deems the NRA a “Russian asset,” while nothing in the text of the actual report ever does more than editorialize to that effect. That report concluded that NRA

<sup>1</sup> Letter from Sens. Ron Wyden and Charles E. Schumer to Commissioner Charles P. Rettig (Oct. 2, 2019), <https://www.finance.senate.gov/imo/media/doc/100219%20Wyden%20Schumer%20Letter%20to%20IRS%20Commissioner%20Rettig%20-%20NRA.pdf>.

<sup>2</sup> MAJORITY STAFF OF S. COMM. ON FIN., 116TH CONG., REPORT ON THE NRA & RUSSIA at 9 (Comm. Print 2019), available at <https://www.finance.senate.gov/imo/media/doc/2019-09-27%20NRA%20&%20Russia%20-%20Majority%20Report.pdf>.

members traveled to Russia in December 2015 “primarily or solely for the purpose of advancing personal business interests, rather than advancing the NRA’s tax-exempt purpose.” It also concluded that NRA officials’ possibly having met with sanctioned individuals “raise significant concerns under U.S. sanctions law.”<sup>3</sup> Both of these conclusions are meritless. I understand the NRA to be an organization dating back to 1871 with 5.5 million members and over \$400 million in revenue last year. The facts investigated by the Minority in the Finance Committee regarding the NRA and detailed in its report do not lend themselves to serious questions about whether the NRA has remained faithful to its non-profit purpose in recent years.

Moreover, the IRS should never investigate taxpayers as a result of potential political motives. It is critical for the administration of our tax system that the IRS remain ideologically neutral when it comes to enforcing the tax code, and it is just as critical that taxpayers all throughout the United States know and believe this to be true. This decade has already seen the IRS involved in enough controversy around politically-motivated tax enforcement, and the IRS should strive mightily to avoid such episodes in the future. As you are well aware, in May 2013 a scandal engulfed the IRS with its partisan enforcement of applications for tax-exempt status under Sec. 501(c)(4) of the tax code, as led by Ms. Lois Lerner.<sup>4</sup> Sadly, that scandal may have been precipitated by partisan requests for the IRS to investigate its perceived political opponents.<sup>5</sup> This was a tragic episode in the IRS’ history and it must not happen again.

The IRS does important work, such as audits of tax-exempt hospitals and investigations into possible abuses of conservation easements. In order for this important work to maintain its legitimacy, the American public must believe the IRS is not, or might not become, biased against them based on the exercise of their constitutional rights. I suspect most Americans do not enjoy receiving correspondence from the IRS but I also suspect most Americans do not think the IRS would ever contact them because of their political beliefs. For the sake of our institutions and for the sake of our tax code, I hope this qualification stays that way. Americans’ confidence in our tax system depends on it.

Sincerely,



Charles E. Grassley  
Chairman  
Senate Committee on Finance

ATTACHMENT: SFC Majority Russia Report

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<sup>3</sup> MINORITY STAFF OF S. COMM. ON FIN., 116TH CONG., REPORT ON THE NRA & RUSSIA at 75 (Comm. Print 2019), available at <https://www.documentcloud.org/documents/6430090-The-NRA-Russia-How-a-Tax-Exempt-Organization.html>.

<sup>4</sup> See generally H.R. REP. NO. 113-414 (2014), available at <https://www.congress.gov/113/crpt/hrpt414/CRPT-113hrpt414.pdf>.

<sup>5</sup> *Id.* at 3.