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## Where Will 527s Go?

In light of calls to pass the Shays-Meehan campaign finance regulation bill (H.R. 513) as a stand-alone bill (instead of attached to lobbying reform), it might be helpful to understand the options that 527s have, if they decide to shut down under new restrictions. That is, there are other legal entities available to citizens—liberal and conservative alike—that will not be impacted by 527 regulation or any subsequent “clamping down” on other soft-money groups. Two examples are federal PACs and qualified non-profits (a special, narrow category of 501(c)4s). **Note:** nothing in H.R. 513 or in current law for the entities described below would stop the automated phone calls that have been the subject of much criticism.

	<u><b>Federal PAC</b></u>	<u><b>Qualified Non-Profit (501(c)4)</b></u>
Donor Disclosure	To FEC, over \$200	None
Contribution Limits	\$5,000 per calendar year	None
Contribution Sources	Individuals / PACs	Individuals only (no corporations)
Electioneering Communications (30/60 days before election)	Yes	Yes
Filing Agency	FEC	IRS / FEC (for electioneering communications and independent expenditures)
Express Advocacy—fed cand. (“Vote for Joe Schmo”)	Yes \$5,000 per election if coordinated; unlimited if independent	Yes (unlimited independent expenditures)
Contributions to candidates	Allowed	Not allowed

## **Federal PAC**

## **Qualified Non-Profit (501(c)4)**

Lobbying  
(including automated phone calls)

Allowed

Allowed

Campaign (political) activities

Allowed

Allowed (if not more than 50% of total activity)

Taxable activities

Non-political expenditures; interest income

Campaign (political) expenditures

Examples of conservative entities

NRA – Political Victory Fund  
ACU PAC  
House Conservatives Fund

Let Freedom Ring

Examples of liberal entities

MoveOn.org  
Emily’s List  
Sierra Club PAC  
All labor union PACs

NARAL Pro-Choice America  
League of Conservation Voters

Equity in the political system can best be improved by reducing regulations on all types of entities (“the freedom approach”). To learn more about the freedom approach, see the 527 Fairness Act (H.R. 1316; “Pence-Wynn”). RSC Staff Contact: [paul.teller@mail.house.gov](mailto:paul.teller@mail.house.gov)