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## Fast Facts on 527s

### Did You Know?

- A “527” organization is called that because it is a political organization whose taxation is defined by Section 527 of the federal tax code (Title 26 of U.S. Code).

### Did You Know?

- A 527 is any entity set up to directly or indirectly accept contributions and/or make expenditures for influencing the selection, nomination, election, or appointment of any individual to a public office, to a political organization, or to be a presidential elector. This definition includes groups that, for example, supported the nominations of Judge Alito and Judge Roberts to the Supreme Court.

### Did You Know?

- A 527 can be a citizens group, a PAC, a party committee (like the RNC), a congressional campaign committee (like Joe Schmo for Congress), or even a presidential campaign committee.

### Did You Know?

- There are vastly different federal regulations already in place for each different type of 527. When you hear people speak of “reining in the 527s,” they are most likely speaking about “independent” 527 groups (i.e. 527s not connected to a PAC, party, officeholder, etc.).

### Did You Know?

- Independent 527s were deliberately left out of McCain-Feingold (Public Law 107-155) because reportedly even the so-called “reformers” believed that the “soft money” ban in the bill should not apply to independent 527s.

### Did You Know?

- Independent 527s, such as MoveOn.org, are already required by law to disclose their donors to the IRS. 527s are not “shadowy” or “secret” organizations, as they’ve been described in the press.

### Did You Know?

- Independent 527s are not the only entities that do not presently fall under the federal government’s heaviest regulatory sword. For example:
  - nonprofit entities organized under Section 501(c)4 of the federal tax code can lobby and conduct campaign and other political activities yet can receive *unlimited* sums from individuals;
  - media corporations can endorse candidates and spend *unlimited* corporate sums to promote those candidates; and
  - individuals who are not (and act independently from) candidates, officeholders, or officers of a national party can spend *unlimited* sums of their own money to promote candidates.

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”).

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