

113TH CONGRESS
1ST SESSION

S. 937

To prohibit the Internal Revenue Service from applying disproportionate scrutiny to applicants for tax-exempt status based on ideology, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 14, 2013

Mr. FLAKE (for himself, Mr. ISAKSON, Mr. RISCH, and Mr. CORNYN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To prohibit the Internal Revenue Service from applying disproportionate scrutiny to applicants for tax-exempt status based on ideology, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protect Against Ide-
5 ology-Based Targeting Act”.

6 **SEC. 2. PROHIBITION OF IDEOLOGY-BASED TARGETING.**

7 The Internal Revenue Service is prohibited, within
8 the exercise of its regulatory authority under the Internal
9 Revenue Code of 1986 to review applications for exemp-

1 tion from taxation under section 501(a) of such Code,
2 from developing or using any methodology that applies
3 disproportionate scrutiny to any applicant based on the
4 ideology expressed in the name or purpose of the organiza-
5 tion.

6 **SEC. 3. REPORT TO CONGRESS.**

7 (a) IN GENERAL.—Subparagraph (A) of section
8 7803(d)(2) of the Internal Revenue Code of 1986 is
9 amended—

10 (1) by redesignating clauses (ii), (iii), and (iv)
11 as clauses (iii), (iv), and (v), respectively, and

12 (2) by inserting after clause (i) the following
13 new clause:

14 “(ii) the number of complaints during
15 the period that allege disproportionate
16 scrutiny in the process of applying for ex-
17 empt status under section 501(a) based on
18 the ideology of the applicants;”.

19 (b) EVALUATION OF COMPLAINTS.—Paragraph (2)
20 of section 7803(d) of the Internal Revenue Code of 1986
21 is amended by adding at the end the following new sub-
22 paragraph:

23 “(C) In the case of a complaint or allega-
24 tion described in subparagraph (A)(ii), the re-
25 port shall provide an evaluation of the source

1 and the circumstances of such complaints, in-
2 cluding a timeline of events, identification of
3 any Internal Revenue Service employees in-
4 volved in the case, and a determination of
5 whether such scrutiny was related to the exer-
6 cise of permitted political activities (as deter-
7 mined under subsection (c)(3) or (h), whichever
8 is applicable, of section 501) by an applicant or
9 exempt organization.”.

10 (c) CONFORMING AMENDMENT.—Subparagraph (B)
11 of section 7803(d)(2) of the Internal Revenue Code of
12 1986 is amended by striking “Clauses (iii) and (iv)” and
13 inserting “Clauses (iv) and (v)”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to reports submitted after the date
16 which is 6 months after the date of the enactment of this
17 Act.

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